**WIPRO GE HEALTHCARE PVT. LTD.**

**CIN: U33111KA1990PTC016063**
**Regd. Office: No. 4 Kadugodi Industrial Area, Bangalore 560067, Karnataka,**
**India, T: 91 80 4180 1000,**
**F 91 80 4180 1290,**
**website: www.wiproge.com**

# WIPRO GE HEALTHCARE PRIVATE LIMITED

# 31st ANNUAL REPORT 2020-2021

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**BOARDS' REPORT**

To,
The Members of
Wipro GE Healthcare Private Limited.

The Directors hereby present Thirty First Annual Report along with audited financial statements for the year the Financial Year ended March 31, 2021.

## 1. FINANCIAL RESULTS

The financial statements for the financial year ended March 31, 2021, forming part of this Annual Report, have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

(INR In lakhs)

| Particulars | 2020-21 (Standalone) | 2019-20 (Standalone) | 2020-21 (Consolidated) | 2019-20 (Consolidated) |
|---|---|---|---|---|
| Sales and other income | 514,969 | 548,427 | 518,522 | 552,348 |
| Depreciation/Amortization | 6,801 | 6,844 | 6,901 | 6,883 |
| Interest & Finance expenses | 2,171 | 3,565 | 2,188 | 3,565 |
| Profit from sale of business unit | 0 | 6,228 | 0 | 6,228 |
| Profit before Tax | 37,904 | 41,566 | 37,654 | 41,654 |
| Tax – deferred & Provisions | (9,599) | (11,421) | (10,043) | (11,455) |
| Profit after Tax | 28,305 | 30,145 | 27,611 | 30,199 |
| Other comprehensive income | 298 | (589) | 263 | (600) |
| Total comprehensive income for the year | 28,603 | 29,557 | 27,873 | 29,599 |
| **Appropriations** | | | | |
| Interim Dividend Paid | Nil | Nil | Nil | Nil |
| Proposed Final Dividend | Nil | Nil | Nil | Nil |
| General Reserves | Nil | Nil | Nil | Nil |
| Balance c/d | 28,603 | 29,557 | 27,873 | 29,599 |

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**2. Dividend**

Keeping in view the future strategic initiatives of the Company, your Directors do not recommend any dividend for the year ended 31 March 2021.

**3. Transfer to Reserves**

The Company does not propose to transfer any amount to reserves this year.

**4. Business Outlook & Details of Company's support towards COVID 19 relief:**

The healthcare market during the year 2021 has been impacted by second COVID-19 wave in Q2'21. Despite the COVID impact, market expected to grow 20% in 1H'21 mainly driven Value CT & Ventilators demand. Ultrasound & other Imaging modalities seeing significant growth over previous year but risk of slowness persists with second wave.

- Q1'21 market grew 36% driven by all segments (lower base previous year due to COVID lockdown)
- Q2'21 market expected to grow by 10% mainly driven by Value CT & Ventilators while other modalities seeing softness due to second wave.

Wipro GE is dedicated to being a responsive and good corporate citizen in times of crisis and since the advent of COVID 19, Wipro GE moved to help lead the pandemic response efforts of the Government.

The Company is thankful to our employees, customers, service provider partners, and other stakeholders who have placed their trust and confidence in us and wish for their wellbeing. We are very excited about the path we are on, and confident you will see a bolder and more ambitious Wipro GE as we move forward.

**a. Employees: -**

The Company has taken necessary steps and employee friendly policies and practices to assist employees in dealing with personal and family hardships in the pandemic and to ensure health, safety and wellbeing of our employees. To cope with the mental and emotional toll of the pandemic, sessions on mental health and well-being, 1 to 1 counselling services sponsored for all the employees. The COVID norms were followed across all functions.

In this time of deep stress and grief, your Company has done everything to help employees, these includes partnering with major hospitals to provide medical support to critically ill employees, additional medical reimbursement and leaves related to COVID-19, as well as vaccination at our campuses, medical insurance flex up options, diagnostic testing support, free delivery of medicines and CT scan testing support and support groups for plasma donation. We also partnered with service providers for 24*7 tele-consultation with Doctors & ambulance services, priority for providing ICU Beds and availability of oxygen concentrators across country to all our employees.

Work from Home (WFH) was enabled from mid of March 2020. The Management diligently worked towards ensuring the business continuity in terms of providing the support and services to our customers and employees, and availability of the infrastructure for the business operation without compromising with security posture. To facilitate WFH, the Company has also provided one time reimbursement for Home Office Set for PB+ employees (non-sales/services).

**b. Customer: -**

During the Covid 19 pandemic, our Manufacturing and Sales team have worked with the healthcare institutions augmented supply of critical equipment's to meet the accelerated demand of the hospitals and healthcare workers to counter the pandemic and to build healthcare infrastructure to the Country. Our front-line Service Team ensured installation/servicing of all the equipment's on time despite lock downs, working with healthcare warriors, shoulder to shoulder in order to scaled up and prioritised on equipment supplies required for countering COVID-19 pandemic such as CT, ventilators etc. The Company also trained many doctors and para-medical staff on Covid-19 treatment protocols to enable them to upskill their skills set to become front line warriors. The commercial opportunities leveraged as a result of COVID 19-pendamic by the Company were: -

i. **Tele-ICU Remote Monitoring Solutions -**
   a. ~800 beds connected since 2020
   b. Enabling ICU care in remote tier II and beyond towns
   c. Mitigating shortage of intensivists and nurses in the country and 60 Home-ICU beds enabled with Saiman, Delhi.

ii. **Market development and leveraging technology –**
   a. AI Offerings for COVID-19 Management
   b. Point of Care Ultrasound as a modality for detection

iii. **Upskilling and Training for Frontline Staff -**
   a. ~410 radiologists and technologists across the country trained on use of Imaging for COVID
   b. 1000+ doctors, intensivists, paramedics upskilled on COVID-19 management and mechanical ventilation
   c. ~1300 Anganwadi workers and paramedics trained on early recognition of COVID in children and transportation of patients.

**c. <u>Corporate Social Responsibility (CSR): -</u>**

As a responsible corporate citizen, your Company promptly responded to people/communities which are affected due to Covid-19 Pandemic. During the year, your Company has spent ~ Rs 1.30 crores to fight against COVID-19 pandemic which includes donation of ambulances to Bowring Hospital, St. Martha's and St. Philomena's for treatment of COVID patients, donation of patients monitors, ventilators & PPE kits to Government hospitals & charitable hospitals, and distributions of Covid-19 food Kits to migrant labourers during lock down period.

The details Covid-19 remedial initiative are disclosed in the CSR Report in Annexure B to this Report in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder.

But for the inspirational, inclusive, and seamless teamwork, this massive change wouldn't have been possible. Your Company take a moment to recognize and celebrate the tremendous commitment and ownership our teams have demonstrated.

**5. Company's performance during the year/State of Company's affairs**

The Company's income from operations for the financial year ended on March 31, 2021 stood at Rs. 514,969 Lakhs recording a 6% decrease from the previous year. Total comprehensive year income was at Rs. 28,603 Lakhs, which represented a 10% decrease from the previous year. The performance in 1H was severely impacted by COVID but strong recovery in 2H driven by Value CT's & Ventilators. Wipro GE selected as one of the successful applicants under Production Linked Incentive Scheme by Ministry of Chemical & Fertilizers. Department of Pharmaceuticals, Government of India in 2 categories.

**6. Accounting Policies**

The financial statements of both the company and the consolidated entity have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Central Government in exercise of the powers conferred by Section 133 of the Companies Act, 2013.

**7. Material Changes and Commitments in the nature affecting the financial position of the company or composition of business, if any**

There has been no material changes and commitments which may affect the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report, except the following events, which are disclosed in the Financial Statements:

During the year (as on March 31, 2021), the Company has received a Show Cause Notice (SCN), from Enforcement Directorate (ED), a statutory authority constituted under Foreign Exchange Management Act, 1999 (FEMA, 1999) and Prevention of Money Laundering Act, 2002 (PMLA), whereby the Company is required to show cause as to why adjudication proceedings should not be held against the Company for a) alleged contravention of the provisions of the FEMA, 1999; and b) prosecution, with respect certain export and import transactions. As advised by our external legal experts, above is defendable.

**8. Disclosure on details of significant and Material Orders passed.**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**9. Details of Subsidiary/Joint Ventures/Associate Companies**

The details of the subsidiary and associate companies of the Company are as under:-

| SR.NO. | ENTITY NAME | PLACE OF BUSINESS | SUBSIDIARY/ASSOCIATE |
|---|---|---|---|
| 1 | GE Healthcare Bangladesh Limited | Bangladesh | Subsidiary |
| 2 | General Electric Healthcare Lanka Private Limited | Srilanka | Subsidiary |
| 3 | Genworks Health Private Limited | India | Associate |
| 4 | Wipro GE Medical Device Manufacturing Private Limited* | India | Subsidiary |

Performance of the Subsidiary and Associate Company is captured in Form AOC-1 attached as Annexure – I and forming part of this report.

* Wipro GE Medical Device Manufacturing Private Limited (WGE MDM) has been incorporated with 1000 equity shares owned by the Shareholders of the Company as on 24th October 2020. Pursuant to the Share Purchase Agreements entered between the Company and Wipro Enterprises (P) Limited & GE Precision LLC, the Company has acquired 490 and 510 equity shares from the said shareholders for a consideration of Rs.4900/- & Rs.5100/- on February 25,2021 & March 01, 2021 respectively, arrived as per the Fair Market Value of the Shares of the Company as per the Valuation Report Dated December 18,2021 issued by M/s. Bhavan Garg & Co. Pursuant to the said acquisition, WGE MDM has become Wholly Owned Subsidiary (WOS) of the Company with effect from March 01,2021.

**10. Deposits**

The company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

**11. Statutory Auditors**

In order to align the auditors on a group wide basis as per the GE Global Policy, M/. BSR & Associates LLP-Chartered Accountants, Statutory Auditors of the Company has completed their tenure for the FY 2020-21. The Board has expressed his gratitude for their strong association since incorporation of Wipro GE for their constant support and contributions for Wipro GE growth journey as well as building strong financial reporting eco-systems for the Company.

M/s. B S R & Associates LLP., Chartered Accountants (ICAI Firm Registration Number: 116231W/W-100024) have resigned from the position of Statutory Auditors of the Company with effect from September 03,2021 vide their resignation letter dated 3rd September 2021, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013, as the Company is in process of aligning its auditors on a group wide basis.

In this regard, the Board of Directors at its meeting held on 7th September 2021, pursuant to the provisions of Section 139(8) of the Companies Act, 2013, recommended the appointments of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm registration no. 008072S), as Statutory Auditors of the Company, subject to the approval by the members at the 31st Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit:-

i. to hold the office from 7th September 2021 till the conclusion of 31st Annual General Meeting of the Company, to fill the casual vacancy caused by the resignation of M/s. B S R & Associates LLP., Chartered Accountants (ICAI Firm Registration Number: 116231W/W-100024).
ii. to hold office for one term of five (5) years, from the conclusion of the 31st AGM, till the conclusion of the 36th AGM of the Company which will be held in the financial year 2025-26.

The Company has received consent letter and eligibility certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm registration no. 008072S), to act as Statutory Auditors of the Company in place of M/s. B S R & Associates LLP., Chartered Accountants (ICAI Firm Registration Number: 116231W/W-100024) along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Board of Directors of the Company as per the authority provided by the shareholders will fix the Statutory Auditors remuneration for the FY 2021-22.

**12. Auditors' Report**

There were no adverse comments, qualifications, reservations or remarks made by the statutory auditors in their report for the financial year ended on March 31, 2021.

Pursuant to provisions of the Section 143(12) of the Companies Act, 2013,the Statutory Auditors has reported any incident of fraud to the Board of Directors during the year under review.

**13. Cost Records and Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board at its meeting held on September 16, , 2020 has approved the appointment of M/s Rao, Murthy & Associates (Registration no. 000065 with Institute of Cost Accountants of India) as Cost Auditors of the Company to conduct audit of cost accounting records maintained by the Company for products covered under MCA cost audit order for the financial year 2020-21 at a remuneration of Rs. 3,60,000/- plus service tax and out of pocket expenses.

The Cost Audit Report for the financial year ended 31st March 2020 has been filed with the Registrar of Companies.The Report of the Cost Auditors for the financial year ended March 31, 2021 is under finalization and will be filed with the MCA within the prescribed period.

There are no qualifications, reservations or adverse remarks made by Cost Auditors, in their report for the financial year ended March 31, 2021.

**A) Maintenance of Cost Records**

Your company has made and maintained necessary cost accounts and cost records as specified by the Central Government under sub section 1 of Section 148 of the Companies Act, 2013.

**14. Share Capital & Buy back of Shares**

The Board of Directors, at its meeting held on 18 December 2020, approved a proposal for the Company to buy-back its fully paid up equity shares of face value of INR 10/- each from the eligible equity shareholders of the Company for an aggregate amount not exceeding INR 36,191 lacs, representing 19.03% of the aggregate paid up equity share capital and free reserves (including securities premium account) as per unaudited special purpose condensed Interim standalone financial statements of the Company for the six months period ended 30 September 2020 and was within the statutory limit applicable for buy-back. The buyback offer comprised a purchase of 573,462 equity shares representing 5.46% of the total number of paid-up equity shares of the Company at a price of INR 6,311/- per equity share of INR 10 each. The buyback was offered to the existing security holders on a proportionate basis from the existing equity shareholders of the Company whose names are entered in the register of members maintained by the Company (**Buy-Back**).The Company completed the buy-back on 24 December 2020. The Company has funded the buy-back from its general reserve. In accordance with Section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of INR 57 lacs equal to the nominal value of the shares bought back as an appropriation from general reserve. The Company has accounted/ debited (a) share Capital Redemption Reserve of INR 57 lacs, (b) Securities premium of INR 36,134 lacs to Free Reserves. In line with Paragraph 61A of Ind AS 12, the Company has accounted/ debited tax consequences of above transaction amounting to INR 8,418 lacs in Free Reserves.

Consequent to the said buy-back the paid-up equity share capital of your Company, as on March 31, 2021 was reduced to into 99,37,961 equity shares of INR 10/- each.

**A) Issue of equity shares with differential rights**

There has been no issue of Equity Shares with Differential rights during the year.

**B) Issue of sweat equity shares**

There has been no issue of sweat equity shares during the year.

**C) Issue of employee stock options**

There has been no issue of employee stock option scheme during the year.

**15. Extract of the Annual Return**

Pursuant to Section 92(3) of the companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details of the extract of annual return in form MGT-9 has been disclosed on the website of the Company at https://www.gehealthcare.in

**16. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as specified under section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are attached as 'Annexure A' to this report.

**17. <u>Corporate Social Responsibility (CSR)</u>**

The Board has constituted CSR Committee comprising of the following Directors
a) Mr. Suresh Senapaty - Chairman
b) Mr. Vivek Bhat- Member- till December 31,2020.
c) Mr. Nalinikanth Gollagunta – Member till November 16,2020.
d) Dr. Shravan Subramanyam- Member-from November 17,2020.
e) Mr. Ian Dale – Member- from December 03,2020.

The CSR Committee Meeting of the Company was held on:-

a) June 15,2020.
b) September 16,2020.
c) December 03,2020.
d) March 02,2021.

Mr. Suresh Senapaty was unanimously elected as Chairman for all the aforesaid CSR Committee Meetings held during the financial year. Mr. Manjunath Hegde, Company Secretary of the Company elected as Secretary to the Committee.

A report on the Corporate Social Responsibility pursuant to Sec. 135 of the Companies Act, 2013(as amended from time to time) is enclosed and forms a part of this report as Annexure B.

**18. <u>Administrative Committee:</u>**

The Board of Directors have constituted an Administrative Committee comprising of following Directors for operational convenience.

a) Mr. Suresh Senapaty - Chairman
b) Mr. Vivek Bhat- Member- till December 31,2020.
c) Mr. Nalinikanth Gollagunta – Member till November 16,2020.
d) Dr. Shravan Subramanyam- Member-from November 17,2020.
e) Mr. Ian Dale – Member- from December 03,2020.

The Administrative Committee Meeting of the Company was held on following dates:-

a) May 27,2020.
b) June 15,2020.
c) September 16,2020.
d) December 03,2020.
e) March 02,2021

Mr. Suresh Senapaty was unanimously elected as Chairman for all the aforesaid Administrative Meetings held during the financial year. Mr. Manjunath Hegde, Company Secretary of the Company elected as Secretary to the Committee.

**19. Directors and Key Managerial Personnel:**

During the year under review there were following changes in the Directors and Key Managerial Persons.

**i. Appointment/Cessation**

a) Mr. Ahmad Nadeem Ishaque, Mr. Monish D Patolawala & Mr. Vivek Bhatt, Directors of the company resigned from the Company with effect from April 10, 2020, June 30,2020 & December 31,2020 respectively to pursue other career options outside General Electric Company, USA. The Board acknowledged the contributions of Directors of the company during their tenure.

b) Mr. Ian Dale (DIN- 0008966771), Mr. Thomas Westrick (DIN-08978731) & Mr. Amit Phadnis (DIN-00564728) have been appointed as Directors of the Company (Nominee of General Electric Company, USA) with effect from December 03,2020 (Ian Dale & Thomas Westrick) & March 02,2021 respectively.

c) Mr. Nalinikanth Gollagunta, Managing Director of the Company, resigned from his position with effect from closing of business hours of November 16, 2020 to assume a new role with one of our group companies. The Board while accepting the resignations of Mr. Gollagunta, acknowledged the invaluable contributions made to the company during his tenure as a Managing Director of the Company. Dr. Shravan Subramanyam (DIN- 00695586) has been appointed as Managing Director of the Company for period of 5(five) years with effect from November 17,2021.

d) Mr. Rohith Anand, Chief Financial Officer of the Company, resigned from his position with effect from closing of business hours of October 30,2020 to pursue other career options outside Wipro GE Healthcare Pvt Ltd. Further, Mr. Rahul Cordeiro has been appointed as Chief Financial Officer of the Company with effect from December 21,2020 replacing Mr. Rohit Anand.

e) Further, Dr. Shravan Subramanyam, Managing Directors, Mr. Rahul Cordeiro, Chief Financial Officer and Mr. Manjunath Hegde, Company Secretary of the Company has been recognised Key Managerial Personnel (KMPs) of the Company with effect from March 02,2021.

None of the Directors/ KMP's of the company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013.

**ii. Particulars of directors proposed for appointment/ re-appointment**

The provision of Section 152 of Companies Act, 2013, eligibility of Director of the Company to retire by rotation is not applicable to your company being Private Limited Company.

**iii. Statement on declaration given by Independent Directors under Section 149(6) of Companies Act, 2013**

The provisions of Independent director as per Section 149 of Companies Act, is not applicable to your Company being a Private limited entity.

**iv. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors during the year**

The provisions of appointment of Independent director is not applicable to your Company, being a Private Limited entity.

Regularization of appointment of Additional Directors appointed during the financial year 2020-21 is being proposed for approval of the shareholder in the ensuing Annual General Meeting of the Company.

**Number of meetings of the Board of Directors**

During the year, Six Board Meetings were held as per details below:

1. June 15,2020.
2. September 16,2020.
3. November 24,2020
4. December 03,2020.
5. December 18,2020.
6. March 02,2021

The intervening period between two Board meetings, was well within the maximum gap of 120 days as prescribed under the provisions of the Companies Act, 2013 and rules made thereunder.

**Detail of meetings attended by the Directors during the FY 2020-21**

| Name of Director | DIN | No. of Meetings attended | Leave of absence |
|---|---|---|---|
| Azim Hasham Premji | 00234280 | 4 | 2 |
| Suresh Chandra Senapaty | 00018711 | 5 | 1 |
| Pratik Kumar | 00328453 | 5 | 1 |
| Rishad Azim Premji | 02983899 | 5 | 1 |
| T. K. Kurien | 03009368 | 5 | 1 |
| Nalinikanth Gollagunta* | 07906313 | 2 | Nil |
| Dr. Shravan Subramanyam**** | 00695586 | 4 | Nil |
| Monish Patolawala** | 07308091 | 1 | Nil |
| Vivek Bhatt** | 08339307 | 5 | Nil |
| Ahmad Ishaque Nadeem** | 08380212 | Nil | Nil |
| Michael Mcalevey | 08540846 | 6 | 6 |
| Ian Dale*** | 0008966771 | 3 | Nil |
| Thomas Westrick*** | 08978731 | 3 | Nil |
| Amit Phadnis*** | 00564728 | 1 | Nil |

* Nalinikanth Gollagunta resigned from the Board w.e.f November 16,2020.

** Ahmad Ishaque Nadeem, Monish Patolawala & Vivek Bhatt resigned from the Board with effect from

April 10, 2020, June 30,2020 & December 31,2020 respectively.

*** Ian Dale, Thomas Westrick & Amit Phadnis have been appointed Additional Directors w.e.f December 03,2020 (Ian & Tom)& March 02,2021 respectively.

**** Dr. Shravan Subramanyam has been appointed as Managing Director of the Company with effect from November 17,2020.

**20. Company's Policy relating to Directors Appointment, payment of remuneration and discharge of their duties**

The Company being a private unlisted entity, the provisions of independent director and section 178 of the Companies Act, 2013 is not applicable to the Company.

**21. Disclosure on Foreign Exchange Earnings and Outgo:**

The details of foreign exchange earnings and outgo earned by your company during the year are as below excluding outgoings on material imported.

| **Particulars** | **2020-21** | **2019-20** |
|---|---|---|
| Foreign Exchange earnings | 23,947,693,498 | 26,410,800,735 |
| Foreign Exchange outgo | 1,426,254,795 | 2,371,965,703 |

**22. Particulars of loans, guarantees or investments under section 186**

The particulars of loans, guarantees, or investments made pursuant to Section 186 of the Companies Act, 2013 for the financial year ending March 31, 2021 are stated below:

Following are the details of loans/guarantees/investments given or made by the Company during the year:

**(Rs in Lakhs)**

| **Nature of transaction (whether loan/ guarantee/ security/ acquisition)** | **Date of making loan/acquisition / giving guarantee/ providing security** | **Name and address of the person or body corporate to whom it is made or given or whose securities have** | **Amount of loan/ security/ acquisition /guarantee (Rs in Lakhs)** | **Time period for which it is made/ given** | **Purpose of loan/acquisition /guarantee/ security** | **% of loan/ acquisition /exposure on guarantee/ security provided to the paid-up capital, free reserves and securities premium account and % of free reserves and** | **Date of passing Board resolution** | **Date of passing special resolution, if require** | **For loans** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | **Rate of interest** | **Date of maturity** |

| | | been acquired (Listed/Unlisted entities) | | | | securities premium | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| Cash Pool Lending | 31.03.2021 | Cash Pool Participants | 134,095 | On going | To better manage the working surplus and funding/ liquidity efficiencies of the Parties | 82.5 | 5.3.2020 | NA | 5% | NA |
| WGE MDM | 01.03.2021 | Investment | 10,000 | | For Business expansion & Production Linked incentive Scheme of GOI. | NA | 03.12.2020 | NA | NA | NA |

* The above does not included the Bank Guarantees limits availed by the Company and utilized during the year in normal course of business.

**23. Particulars of contracts or arrangements with related parties:**

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. (Refer Annexure C in Form AOC-2).

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rules 8(2) of the Companies (Accounts) Rules, 2014.

**24. Whistle Blower Process/ Vigil Mechanism**

Your Company has a robust Ombud's process which provides vigil mechanism in the form of GE Sprit & Letter Policy for Business Conduct of Directors, Officers & Employees, Vendors and all other stakeholders. The mechanism provides stakeholders to voice their concerns in a responsible and effective manner, about any unethical behavior, actual or suspected fraud or violation. The Code reflects the Company's commitment to principles of integrity, transparency, and fairness. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Company has a Compliance Leader who is entrusted with the responsibility of driving compliance and communicating awareness about the policies of business conduct to all stakeholders.

**25. Compliance Management Framework:**

Your Company has effective framework for monitoring compliances with applicable laws. The Company has put in place the E & Y Compliance Management Tool & also other GE Compliance Management Tools in place to put in place robust compliance mechanism to adhere to best practices of compliance, wherein functional wise mapping of applicable compliance to the Company has been carried out. Management has constituted Compliance Review Board (CRB) & Regulatory Compliance Board (RCB) which quarterly reviews the status of compliances with Compliance Leader and the General Counsel of the Company. The Administrative Committee and the Board also periodically monitor status of compliances with applicable laws based on certification provided by functional owners and Senior Management team and update the Board on the status of the Compliance Management System.

**26. Particulars of Employees**

The disclosure as per Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report. However, as per the provisions of Section 136 of the Companies Act, 2013, the report and accounts are being sent to the Members and others entitled thereto, excluding the disclosure on particulars of employees which is available for inspection by the Members at the Registered Office of the company during business hours on working days of the company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the company Secretary in this regard.

**27. Risk Management policy**

The company has adopted Risk Assessment and Management Policy which identifies the elements of potential risk and sets out risk management process of the Company, wherein applicable material risks are monitored. The Company follows the process of annually assessing the risks that the Company is exposed to along with regularly monitoring the applicable regulatory compliances. The management also periodically reviews compliances at the Compliance Review Board and Regulatory Council Meetings, and the Administrative Committee of the Board also periodically monitor risk status of the Company on periodical basis. There are also regular reviews by the Internal Control team. There are no elements of risks, which in the opinion of the Board may threaten the existence of the company.

**28. Update on Internal Financial Control over Financial reporting.**

Company's Internal Financial Control (IFC) over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP). Your Company has in place adequate internal control systems commensurate with the size of its operations. The internal control systems, comprising of policies and procedures, are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilization of resources, reliability of its financial information and compliance. We continue to refine and enhance the existing controls from time to time and adequate systems and processes have been put in place by the Company to ensure internal financial control over financial reporting. Well and clearly defined roles and responsibilities have been formulated. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

**29. Directors' Responsibility Statement**

Pursuant to clause (c) of sub-section (*3*) of Section 134 of the Companies Act, 2013, the Directors confirm that:-

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d) the directors had prepared the annual accounts on a going concern basis; and
e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**30. Disclosures under Prevention of Sexual Harassment of Women at Workplace Act, 2013.**

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company's process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs against sexual harassment are conducted across the organization.

During the year, the company has received one complaint and the same was investigated and has been disposed-off with appropriate action taken as per the provisions of the POSH Act as on the date of this report.

**31. Secretarial Standards**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

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**32. Human Resources**

Your Company is committed to create an environment of openness, drive an effective and transparent performance culture and build a culture of appreciation and transparent communication. Your Company emphasizes on the safety of people working in its premises. Structured safety meetings were held, and safety programs were organized for them throughout the year. Your Company continues to build on the engagement level of the employees as measured through annual employee's engagement survey. The feedback of the employees on various practices and leadership qualities are improving which is helping your Company to have a collaborative, open and transparent culture.

**33. Acknowledgements**

Directors wish to place on record their heartfelt appreciation for the efforts of the Company's employees and the co-operation extended by the Customers, Suppliers, Bankers and all other business associates and wish that this support will continue in the road ahead with the same commitment.

**For and on behalf of the Board of Directors**

| | | |
|---|---|---|
| **Place: Bangalore** | **Sd/-** | **Sd/-** |
| **Date: September 07,2021** | **Azim H. Premji** | **Dr. Shravan Subramanyam** |
| | **Chairman** | **Managing Director** |

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**ANNEXURE – A**

**ANNEXURE TO THE BOARDS' REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO**

**A. Conservation of Energy:**

**I) Long term solar power purchase agreement**

India is largely dependent on coal to meet its energy needs. Coal meets more than 50 percent of the current commercial energy needs and generates more than 70 percent electricity. But the energy from coal comes at a huge environmental and health cost. Coal-based power plants also account for about 70 percent of the total freshwater withdrawal by the industrial sector and close to 50 percent of India's total greenhouse gas emissions.

Most renewable energy sources produce little to no global warming emissions. Even when including "life cycle" emissions of clean energy (i.e., the emissions from each stage of a technology's life—manufacturing, installation, operation, decommissioning), the global warming emissions associated with renewable energy are minimal. The comparison becomes clear based on the following numbers. Burning natural gas for electricity releases between 0.6 and 2 pounds of carbon dioxide equivalent per kilowatt-hour (CO2E/kWh); coal emits between 1.4 and 3.6 pounds of CO2E/kWh. Wind, on the other hand, is responsible for only 0.02 to 0.04 pounds of CO2E/kWh on a life-cycle basis; solar 0.07 to 0.2; geothermal 0.1 to 0.2; and hydroelectric between 0.1 and 0.5 Resultantly, India's commitment to the Paris Accord on climate change, among other things required that 40% of India's power capacity would be based on non-fossil fuel sources by 2030.

Taking cognizance of its responsibility towards environment, the Company decided to pursue Solar Energy as the clean alternative to fossil fuel-based energy. The Company entered into long term power purchase agreement with a non-captive vendor producing solar energy. The Company intends to meet 70%-80% of its electricity requirements at the two manufacturing plants in Bangalore through clean solar energy. The Company is saving 3365300 KWH energy, by purchasing through Solar power.

The Other Energy Saving projects carried out by the Company at its plants during FY 2020-21 are as under-

a) Equipment chiller: Chiller Set point changed from 7 to 9 Degree, and installed VFD for secondary pump. Annual saving is 75802 KWH.
b) Chiller Pumps: Optimized number of pumps from five numbers to three numbers. Annual saving is 84960 KWH.
c) Transformer: Turned off the standby transformer and operating one at a time.
Annual saving is 18396 KWH

**II) Company has leased facility at** John F Welch Technology Centre (JFWTC) which belongs to is associate company GE India Industrial Private Limited (GEIIPL). Company has been benefited from the below energy conservation initiatives undertaken at JFWTC by GEIIPL.

| Sr.No. | Project Name | Description |
|---|---|---|
| 1 | EC Motor for AHU | Electronically Commutated motor used in AHU blower to reduce energy consumption and provide redundancy in system |
| 2 | Modular UPS | The principal advantages of modular approach are the ability to grow capacity as needed and reduced maintenance cost. Potential advantage to modular UPS systems is efficiency |

B. **Technology Absorption:**

Disclosure relating to Technology Absorption

1. **<u>Efforts in brief made towards technology absorption, adaptation and innovation:</u>**
   GE Healthcare, USA continues to provide basic technology and technical know-how for introduction of new products and formulation development. These are adapted, wherever necessary, to local conditions.

2. **<u>Benefits derived as a result of the above efforts:</u>**
   New product development, productivity and quality improvements, enhanced safety and affordability for the customers.

3. **<u>Technology Imported:</u>**

   GE Healthcare, USA has provided technical know-how and technology as and when required, relating to products, quality, marketing and so on. This on-going process involves visits by employees of both companies to each other's office sites for discussions and training.

4. **<u>Expenditure on R&D:</u>** NIL

**C. Foreign Exchange Earnings & Outgoings (in lakhs):**

Foreign Exchange earned during the year was INR 23,947,693,498/- while the outgoings were INR 1,426,254,795/-.

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**Annexure – B**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

1. **A brief outline of the company's CSR policy including overview of the projects or programs proposed to be undertaken and a reference to the CSR policy and projects or programs.**

**Mission Statement for CSR for the Company-**

We are at work for a healthier society, addressing some of South Asia's healthcare challenges by supplementing the Government and Societal efforts. Our endeavor is to improve the quality of health and living of those in need by way of healthcare Infrastructure & Capability building, Patient Support Programs, and emergency response during Pandemics and Natural Disasters.

In line with the CSR Policy adopted by the Company, the CSR Committee for the financial year 2020-21 focused on the following broad areas:-

| S.NO | Particulars | CSR Activities Covered |
|---|---|---|
| 1 | Capability Building for Healthcare eco-systems | • Bedside Assistant/Nursing Aide Course (Pratham )<br>• Awareness, Screening for CVD & Onco & training of Primary Care Physicians & Allied Healthcare Professional through Project HOPE<br>• Addressing Talent Skill gaps: BSc Para-professional course(Radiotherapy, Radiodiagnosis and Imaging Technology)<br>• **Research** (AI/ML Lab @ IISc to commemorate 30 year of JV).<br>• Education (digital) at Anganwadi (Conve Genius). |
| 2 | Healthcare Pivots | • Mother & Child – Awareness drives, Health Camps, Early Edu. at Anganwadi (United Ways).<br>• **Programs around Oncology**, Cardiology, **Trauma & Covid-19.**<br>a. Program against Onco – Tele Consulting; ~1000 beneficiaries ( Navya).<br>b. Cardiology–Congenital Heart disease in children ( Genesis Foundation)<br>c. Trauma : Support Burn Victims ( Vimochana & PCVC ) |

| | | |
|---|---|---|
| | | d. Natural Disasters relief / COVID-19 |
| 3 | Core Healthcare Infrastructure | • Model Health and Wellness Centers under Ayushman Bharat – Infrastructure, Digital solution (PHC)<br>• Cancer Awareness drive (Adyar) |

**2. The composition of the CSR Committee.**

The CSR Committee comprises of the following member directors;

| Sl.NO | Name of Director | Designation/ Nature of Directorship | No of Meeting of CSR Committee Held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Suresh Chandra Senapaty | Director/Chairman of CSR Committee | 4(four) | 4 |
| 2 | Nalinikanth Gollagunta* | Managing Director/Member of CSR Committee | | 2 |
| 3 | Vivek Bhat* | Director/Member CSR Committee | | 3 |
| 4 | Dr.Shravan Subramanyam** | Managing Director*/Member of CSR Committee | | 2 |
| 5 | Ian Dale** | Director/Member CSR Committee | | 1 |

*Mr. Nalinikanth Gollagunta – Member till November 16,2020.
*Mr. Vivek Bhat- Member- till December 31,2020.
**Dr. Shravan Subramanyam- Member-from November 17,2020.
**Mr. Ian Dale – Member- from February 18, 2021.

Mr. Suresh Senapaty was unanimously elected as Chairman of all the CSR Committee Meetings held during the Financial year 2020-21.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.-**

i. The composition of the CSR committee is available on our website at- https://www.gehealthcare.in/-/jssmedia/global/india/corporate-governance/constitution-of-csr-committee--wge.pdf

ii. The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies_Act, 2013. The CSR Policy of the Company is available on our website at- https://www.gehealthcare.in/-/jssmedia/global/india/corporate-governance/CSR Policy.

iii. CSR projects approved by the board are disclosed on the website of the Company at- https://www.gehealthcare.in/-/jssmedia/global/india/corporate-governance/wipro-ge-csr-docket--2020.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable. –** The Company has been voluntarily conducting impact assessments through independent agencies to screen and evaluate select CSR programs. The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules") and as per threshold limits specified under this rules, the Rules are not applicable as on date of this Report.

5. **Details of the amount available for set off pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.- NIL.**

6. **Average Net Profit of the company as per 135 (5) -** The average net profits of the company during the last three years as per Section 198 is INR 38,737 Lakhs/- (Rupees Thirty eight seven thirty seven Lakhs Only).

7. **Prescribed CSR Expenditure (2% of this amount as in item 6 above).**

a) Two percent of average net profit of the company as per section 135(5):- INR 775 lakhs
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- INR 48 lakhs.
c) Amount required to be set off for the financial year, if any:-Nil.
d) Total CSR obligation for the financial year (7a+7b-7c).- **INR 823 Lakhs.**

8.

a) **CSR amount spent or unspent for the financial year:**

| **Total Amount Spent for the Financial Year (In Lakhs Rs)*** | **Amount Unspent (in Lakhs Rs)** | | | | |
|---|---|---|---|---|---|
| | **Total Amount Transferred to Unspent CSR Account as per Section 135(6)**** | | **Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).** | | |
| | Amount in Lakhs | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 768 | 58.5 | Refer Note. | Nil | Nil | Nil |

**Note**:- * Includes a sum of Rs 39 Lakhs incurred towards administration overheads.

**The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

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b) Details of CSR amount spent against Ongoing Projects for the financial year:-

| 1. | 2. | 3. | 4. | 5. | | 6. | 7. | 8. | 9. | 10. | 11. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No.) | Location of the Project - State/District | | Project Duration (in years) * | Amount allocated for the Projects in FY 20-21(Rs In lakhs) | Amount spent in the current financial year FY 20-21: (Rs In lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in lakhs.). | Mode of Implementation – Direct (Yes/No) | Mode of Implementation – through Implementation Agency | |
| | | | | State | District | | | | | | Name | CSR Reg No** |
| 1 | Employment enhancing vocational skills- Nursing aid / Bedside assistant Program | (i) &(ii) | No<br>Yes | MH<br>KAR | Nasik, Malegoan,<br>Mysore, | 2 | 98 | 98 | NA | No. | PRATHAM EDUCATION FOUNDATION | NA |
| 2 | Health Camps & awareness drives(PPHP)- Rural Health Screening - CVD & Onco. | (I) | No<br>NO | U.K<br>Assam | Haridwar<br>Majuli, Kamrup, Barpeta, | 2 | 175 | 175 | NA | No | Collective Good Foundation | NA. |

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| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3. | Established a lab for IISC to enhance Skills & develop novel applications in the area of Artificial intelligence/Machine Learning | (i) | Yes | KAR | Bangalore | 3 | 11 | 11 | NA | No | Collective Good Foundation | NA |
| 4 | Born Learning - collaborate with the government to enable holistic development and school-readiness for children from 0-6 years & Upgradation of Anganwadi | (ii) | Yes | KAR | Bangalore | 3 | 58.5 | Nil | 58.5 | No | United Ways of Bengaluru | NA |
| 4. | Medical treatment of underprivileged children with heart defects-with | (i) | Yes | Pan India | | 2 | 45 | 45 | NA | No | Collective Good Foundation | NA |
| 5 | Low-income patients assisted in small towns/rural areas with Navya' s Low-cost Online Service to scale access to Experts & Maximize Outcomes | (i) | Yes | Pan India | | 3 | 155 | 155 | NA | No | Collective Good Foundation | NA |
| 6 | Environment – Renewable | (iv) | Yes | KAR | Bangalore | 2 | 212 | 212 | NA | No | CLEAN MAX PHOTOVOLTAIC | NA |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7 | Health Camps & awareness drives | (i) | | | | | 8 | 8 | NA | | United Ways | |
| **Total CSR spend** | | | | | | | **762.5** | **704** | **58.5** | | | |

*These are 'ongoing projects' as defined in the CSR Amendment Rules. The years mentioned include the financial year in which the project was commenced.
** CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021.

c) **Details of CSR amount spent against other than Ongoing projects for the financial year:**

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| **S.NO** | **Name of the Project** | **Item from the list of activities in Schedule VII to the Act** | **Local areas (Yes/No)** | **Location of the Project** | | **Amount spent for the Project (Rs. In Lakhs)** | **Mode of Implementation – Direct (Yes/No)** | **Mode of Implementation- Through Implementation Agency** | |
| | | | | **State** | **District** | | | **Name** | **CSR NO*** |
| 1 | Providing underprivileged children at Anganwadi's opportunity to E- learning technology/holistic development | (i) | No | Goa | Across Goa | 8 | No | Collective Good Foundation | NA |
| 2 | COVID related Relief- Migrant Workers | (i)/(ix) | Yes | Kar | Bangalore | 17 | No | United Ways | NA |
| | **Total Amount** | | | | | **25** | | | |

* CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April1, 2021.

d) **Amount spent in Administrative Overheads- INR 39 Lakhs**
e) **Amount spent on Impact Assessment, if applicable- Not Applicable**
f) **Total amount spent for the Financial Year (8b+8c+8d+8e) – INR 768 Lakhs**

g) **Excess amount for set off, if any.- Nil**

**9.**

a) **Details of Unspent CSR amount for the preceding three financial years: N.A.**

b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021. Details of spend on all ongoing projects during fiscal 2021 are covered under 8(b) above.

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details).- No capital asset was created / acquired for fiscal 2021 through CSR spend.**

a) Date of creation or acquisition of the capital asset(s).-NA
b) Amount of CSR spent for creation or acquisition of capital asset.- NA
c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- NA
d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- NA

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)-**

During Financial Year 2021, the Company has spent Rs. 768 lakhs on various projects and transferred Rs. 58.5 lakhs to the Unspent CSR Account of the Company on April 8,2021 against one of the "Ongoing Project" i.e. Born Learning - collaborate with the government to enable holistic development and school-readiness for children from 0-6 years/ upgradation of Anganwadi across Bangalore. The entire amount of Rs.58.5 lakhs has been transferred from Unspent CSR Account to the United Ways, NGO Foundation Account on June 14, 2021 and said project shall be completed in accordance with the CSR Amendment Rules.

**For WIPRO GE HEALTHCARE PRIVATE LIMITED**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Azim H. Premji** | **Suresh Senapaty** | **Dr. Shravan Subramanyam** |
| **Chairman** | **Chairman CSR Committee** | **Managing Director** |

**Place: Bangalore**
**Date: September 07,2021**

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**ANNEXURE 'C**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. – NIL

| SL. No. | Particulars | Details |
|---|---|---|
| a) | Name (s) of the related party & nature of relationship | NIL |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions' | |
| f) | Date of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars | Details |
|---|---|---|
| a) | Name (s) of the related party & nature of relationship | As per Annexure RTP |
| b) | Nature of contracts/arrangements/transaction | As per Annexure RTP |

| | | |
|---|---|---|
| c) | Duration of the contracts/arrangements/transaction | Through FY 2020-21 |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | At Arm's Length basis. Value as per Annexure RTP |
| e) | Date of approval by the Board | Not applicable as per MCA Notification dtd. 5th June, 2015. |
| f) | Amount paid as advances, if any | NIL |

**For WIPRO GE HEALTHCARE PRIVATE LIMITED**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **Azim H. Premji** | **Dr. Shravan Subramanyam** |
| **Chairman** | **Managing Director** |

**Place: Bangalore**
**Date- September 07,2021**

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**Annexure- I**

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in BDT / INR)

| | | | |
|---|---|---|---|
| 1. Sl. No. | 1 | 2 | 3 |
| 2. Name of the subsidiary | GE HEALTHCARE BANGLADESH LIMITED | GENERAL ELECTRIC HEALTHCARE LANKA (Private) Limited | Wipro GE Medical Device Manufacturing Private Limited |
| 3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period | | | |
| 4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Reporting currency - BDT<br>Exchange rate as on last date of financial year – 0.8782 BDT = 1.00 INR | Reporting currency – LKR<br>Exchange rate as on last date of financial year – 0.37 LKR = 1.00 INR | Reporting currency – INR |
| 5. Share capital | 166,431,778 | 2,581,500 | 10,000 |
| 6. Reserves & surplus | (81,408,850) | 10,719,452 | - |
| 7. Total assets | 1,044,223,346 | 53,568,503 | 105,611 |
| 8. Total Liabilities | 935,076,578 | 27,869,665 | 557,176 |
| 9. Investments | - | - | |
| 10. Turnover | 893,407,218 | 115,574,213 | 0 |
| 11. Profit / (Loss) before taxation | 111,793,062 | 16,313,007 | (557,176) |
| 12. Provision for taxation | 49,024,145 | 3,915,122 | (95,611) |
| 13. Profit/(Loss) after taxation | 62,768,917 | 12,397,885 | (461,564) |
| 14. Proposed Dividend | - | - | - |
| 15. % of shareholding | 100% | 100% | 100% |

**Notes: The following information shall be furnished at the end of the statement:**

| | | |
|---|---|---|
| 1. Names of subsidiaries which are yet to commence operations | | NIL |
| 2. Names of subsidiaries which have been liquidated or sold during the year. | | |

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**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Name of Associates/Joint Ventures | Genworks Health Private Limited | | |
|---|---|---|---|
| **1. Latest audited Balance Sheet Date** | 31st March 2021 | | |
| **2. Shares of Associate/Joint Ventures held by the company on the year end** | | | |
| Nos. | 780,000 | | |
| | | | |
| Amount of Investment in Associates/Joint Venture | 7,800,000 | | |
| Extend of Holding % | Holding 26% of voting power- control of/ participation in business decision under an agreement. | | |
| | | | |
| **3. Description of how there is significant influence** | Holding > 20% of voting power. | | |
| **4. Reason why the associate/joint venture is not consolidated** | *NA* | | |
| | | | |
| **5. Net worth attributable to Shareholding as per latest audited Balance Sheet** | | | |
| | | | |
| **6. Profit / Loss for the year** | | | |
| i. Considered in Consolidation | N.A. | | |
| i. Not Considered in Consolidation | | | |

| | |
|---|---|
| 1. Names of associates or joint ventures which are yet to commence operations. | Nil |
| 2. Names of associates or joint ventures which have been liquidated or sold during the year. | Nil |

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**For WIPRO GE HEALTHCARE PRIVATE LIMITED**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **A.H. Premji** | **S.C. Senapaty** |
| *Chairman* | *Director* |
| DIN: 00234280 | DIN: 00018711 |

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Dr. Shravan Subramanyam** | **Rahul Cordeiro** | **Manjunath Hegde** |
| *Managing Director* | *Chief Financial Officer* | *Company Secretary* |
| DIN: 00695586 | | |

**Place: Bangalore**
**Date- June 29,2021**

B S R & Associates LLP
Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor,
Off Intermediate Ring Road,
Bengaluru-560 071 India

Telephone: + 91 80 4682 3000
Fax: + 91 80 4682 3999

**INDEPENDENT AUDITORS' REPORT**

**To the Members of Wipro GE Healthcare Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Wipro GE Healthcare Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises of Board's report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone financial statements made by management and Board of Directors.

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**Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 2.34 & 2.36 (b) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 2.34 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; *and*

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a private limited company under the definition of the Act, hence the provisions of Section 197 (read with Schedule V) to the Act are not applicable to the Company.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/W-100024

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**Vipin Lodha**
*Partner*
Membership number: 076806
UDIN: 21076806AAAAAZ3473

Place: Bengaluru
Date: 29 June 2021

**Wipro GE Healthcare Private Limited**
**Annexure – A to the Independent Auditor's report**

The Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of Wipro GE Healthcare Private Limited ("the Company") for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are not held in the name of the Company. These are transferred from GE Medical Systems (India) Private Limited on its merger with the Company in the year 2012-13. As per the explanations given to us and on the basis of our examination of the records, the court order transferred the ownership of such immovable properties in favour of the Company. Details of immovable properties which are not held in the name of the Company are as below:

| Particulars | Number of properties | Net block (INR in lacs) |
|---|---|---|
| Freehold Land | 2 | 447 |

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment (including Right of Use assets) in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such verification. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to, companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given and investments made. Further, there are no guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable.

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**Wipro GE Healthcare Private Limited**

**Annexure – A to the Independent Auditor's report (continued)**

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning, the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act and relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of section 148 of the Act in respect of products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the accounts and records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee's state insurance, Income-tax, Goods and services tax, Duty of customs, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales-tax, Service-tax, Duty of excise and Value added tax during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee's State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income -tax, Sales tax, Value added tax, Service tax, Goods and services tax, Duty of customs and Duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

| Name of the statute | Nature of the dues | Amount (INR in lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 10,508<br>*(321)** | AY 2010- 2011<br>AY 2011-2012 | High Court of Karnataka |
| **Name of the statute** | **Nature of the dues** | **Amount (INR in lacs)** | **Period to which the amount relates** | **Forum where dispute is pending** |
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 37,688<br>*(500)** | AY 2005-2006<br>AY 2006-2007<br>AY 2012- 2013 | Dispute Resolution Panel, Bangalore |

**Wipro GE Healthcare Private Limited**

**Annexure – A to the Independent Auditor's report (continued)**

| | | | | |
|---|---|---|---|---|
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 22,465 | AY 2013-2014 | Assistant commisioner of Income tax, Bangalore |
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 16,934 | AY 2017-2018 | Deputy commissioner of Income tax, Bangalore |
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 255 *(155)** | AY 2007- 2008<br>AY 2010- 2011<br>AY 2011-2012 | Income Tax Appellate Tribunal, New Delhi |
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 169 *(1,860)** | AY 1998- 1999 to AY 2000-2001<br>AY 2002-2003<br>AY 2007-2008 | Commissioner of Income Tax (Appeals), Bangalore |
| Income Tax Act, 1961 | Tax/Interest/ Penalty | 9 *(25)** | AY 2012-2013 | Commissioner of Income Tax (Appeals), New Delhi |
| Service Tax Rules, 1994 (Finance Act 1994) | Tax/ Penalty | 12 *(12)** | FY 2004- 2005 | Assistant Commissioner of Service Tax, Bangalore |
| Service Tax Rules, 1994 (Finance Act 1994) | Tax/Duty /Penalty | 1,932 *(719)** | FY 2006- 2007<br>FY 2008 -2009 to FY 2010- 2011<br>September 2011 to September 2016<br>FY 2017-2018 | Commissioner of Service Tax, Bangalore |

| Name of the statute | Nature of the dues | Amount (INR in lacs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| The Customs Act, 1962 | Duty/ Penalty | 737 *(523)** | FY 1998- 1999 | Supreme Court of India |
| The Customs Act, 1962 | Duty | 18 *(18)** | FY 2007- 2008 | Assistant Commissioner of Customs (ICD, Bangalore) |
| The Customs Act, 1962 | Duty | 2,603 *(204)** | FY 2001 - 2002<br>FY 2002 - 2003<br>FY 2003 – 2004<br>April 2003 to March 2017 | Customs, Excise and Service tax Appellate Tribunal |

**Wipro GE Healthcare Private Limited**

**Annexure – A to the Independent Auditor's report (continued)**

| | | | | |
|---|---|---|---|---|
| The Customs Act, 1962 | Duty | 72 | January 2018 and April 2018 | Additional Deputy Commissioner |
| The Customs Act, 1962 | Duty | 4 | February 2009 to March 2009 | Assistant Commissioner |
| Karnataka Sales Tax Act, 1957 | Tax | 17 *(17)** | FY 2003- 2004 to FY 2007- 2008 | Deputy Commissioner of Commercial Taxes (Appeals) |
| Karnataka Sales Tax Act, 1957 | Tax | 8 *(8)** | FY 2005- 2006 FY 2006- 2007 | Joint Commissioner of Commercial Taxes (Appeals) |
| Karnataka Sales Tax Act, 1957 | Tax | 6 *(6)** | FY 2005- 2006 | High Court of Karnataka |
| Karnataka Special Tax on Entry of Certain Goods Act, 2004 | Tax | 6 (6)* | FY 2005- 2006 | Joint Commissioner of Commercial Taxes (Appeals) |
| Karnataka VAT Act 2003 | Tax | 92 | FY 2008- 2009 FY 2009- 2010 | Joint Commissioner of Commercial Taxes (Appeals) |
| Kerala General Sales Tax Act, 1963 | Tax | 175 | FY 2000 -2001 FY 2002- 2003 | Assistant Commissioner (Appeals) |
| **Name of the statute** | **Nature of the dues** | **Amount (INR in lacs)** | **Period to which the amount relates** | **Forum where dispute is pending** |
| Kerala CST Act, 1956 | Tax | 0.11 | FY 2011-2012 | Assistant Commissioner |
| Kerala VAT Act, 2003 | Tax | 230 *(35)** | FY 2005 -2006 to FY 2009- 2010 | Deputy Commissioner of Commercial Taxes (Appeals) |
| Kerala VAT Act, 2003 | Tax | 757 (20)* | FY 2010-2011 to FY 2014-2015 | Commercial Taxes Tribunal |
| Kerala VAT Act, 2003 | Tax | 364 *(27)** | FY 2011- 2012 FY 2013- 2014 | Assistant Commissioner Commercial Taxes |

**Wipro GE Healthcare Private Limited**

**Annexure – A to the Independent Auditor's report (continued)**

| | | | | |
|---|---|---|---|---|
| Tamil Nadu VAT Act, 2006 | Tax | 51 *(536)** | FY 2010-2011 FY 2011-2012 FY 2012-2013 | Assistant Commissioner of Commercial Taxes |
| Tamil Nadu VAT Act, 2006 | Tax | 4 *(4)** | FY 2013-2014 | Joint Commissioner of Commercial Taxes, Tamil Nadu |
| Tamil Nadu VAT Act, 2006 | Tax | 13 *(13)** | FY 2012-2013 | Joint Commissioner of Commercial Taxes (Appeals) |
| Uttar Pradesh Sales Tax Act, 1948 | Tax | 10 *(15)** | FY 2016-2017 FY 2018-2019 | Commercial Tax officer (AO) |
| Uttar Pradesh Sales Tax Act, 1948 | Tax | 203 *(34)** | FY 2010-2011 FY 2013-2014 | Additional Commissioner (Appeals) |
| West Bengal VAT Act | Tax/Interest | 268 (24)* | FY 2015-16 FY 2016-17 FY 2017-18 | Senior Joint Commissioner, Commercial |
| Bihar Value Added Tax act, 2005 | Penalty | 2 *(2)** | FY 2016-2017 | Deputy Commissioner of Commercial Taxes |
| Delhi Value Added Tax act, 2004 | Penalty | 40 *(3)** | FY 2009-2010 | Deputy Commissioner of Commercial Taxes |

* The amounts in parenthesis represent the payment made under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions. The Company did not have any outstanding dues to any banks or debenture holders during the year.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company is a private limited company under the definition of the Companies Act, 2013. Hence, the provisions of Section 197 read with Schedule V to the Act is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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**Wipro GE Healthcare Private Limited**

**Annexure – A to the Independent Auditor's report (continued)**

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. The Company is a private limited company under the definition of the Companies Act, 2013. Hence, the provisions of Section 177 are not applicable to the Company.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him under the provisions of section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806
UDIN: 21076806AAAAAZ3473

Place: Bengaluru
Date : 29 June 2021

**Annexure B to the Independent Auditors' Report on the standalone financial statements of Wipro GE Healthcare Private Limited for the year ended 31 March 2021.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

We have audited the internal financial controls with reference to standalone financial statements of Wipro GE Healthcare Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that

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a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

**Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806
UDIN: 21076806AAAAAZ3473

Place: Bengaluru
Date: 29 June 2021

**Wipro GE Healthcare Private Limited**

| Standalone balance sheet as at | Note | 31 March 2021 | INR in lacs<br>31 March 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2.1 | 24,522 | 24,562 |
| Capital work-in-progress | | 2,509 | 2,438 |
| Right-of- use asset | 2.2 | 9,288 | 9,262 |
| Goodwill | 2.3 | 2,846 | 2,846 |
| Other intangible assets | 2.3 | 323 | 578 |
| Financial assets | | | |
| - Investments | 2.4 | 1,227 | 11 |
| - Loans receivables | 2.5 | 402 | 423 |
| - Other financial assets | 2.6 | 1,436 | 1,400 |
| Deferred tax assets (net) | 2.7 | 4,649 | 4,149 |
| Income tax assets (net) | 2.8 | 15,340 | 16,115 |
| Other non-current assets | 2.9 | 2,649 | 3,294 |
| **Total non-current assets** | | **65,191** | **65,078** |
| **Current assets** | | | |
| Inventories | 2.10 | 50,144 | 59,122 |
| Financial assets | | | |
| - Trade receivables | 2.11 | 108,324 | 109,344 |
| - Cash and cash equivalents | 2.12 | 41,698 | 26,524 |
| - Loans receivables | 2.13 | 134,119 | 147,976 |
| - Other financial assets | 2.14 | 2,538 | 1,916 |
| Other current assets | 2.15 | 9,956 | 11,236 |
| **Total current assets** | | **346,779** | **356,118** |
| **Total assets** | | **411,970** | **421,196** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 2.16 | 994 | 1,051 |
| Other equity | | 164,510 | 180,460 |
| **Total equity** | | **165,504** | **181,511** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Lease liabilities | 2.17 | 6,933 | 7,056 |
| - Other financial liabilities | 2.18 | 93 | 93 |
| Provisions | 2.19 | 3,932 | 2,810 |
| Other non-current liabilities | 2.20 | 30,826 | 27,766 |
| **Total non-current liabilities** | | **41,784** | **37,725** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Lease liabilities | 2.21 | 2,448 | 2,266 |
| - Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 2.22 | 1,564 | 759 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.22 | 121,186 | 124,861 |
| - Other financial liabilities | 2.23 | 12,562 | 11,763 |
| Provisions | 2.24 | 12,226 | 12,605 |
| Other current liabilities | 2.25 | 54,696 | 49,706 |
| **Total current liabilities** | | **204,682** | **201,960** |
| **Total equity and liabilities** | | **411,970** | **421,196** |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

for **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
*Managing Director*
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
*Company Secretary*

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**

| Standalone statement of profit and loss for the | Note | Year ended 31 March 2021 | INR in lacs Year ended 31 March 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 2.26 | 506,375 | 532,818 |
| Other income | 2.27 | 8,594 | 15,609 |
| **Total income** | | **514,969** | **548,427** |
| **Expenses** | | | |
| Cost of materials consumed | 2.28 | 99,547 | 94,978 |
| Purchase of stock-in-trade | | 190,772 | 226,673 |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods | 2.29 | 9,540 | (6,240) |
| Employee benefits expense | 2.30 | 86,337 | 89,680 |
| Finance costs | 2.31 | 2,171 | 3,565 |
| Depreciation and amortisation expense | 2.32 | 6,801 | 6,844 |
| Other expenses | 2.33 | 81,898 | 97,589 |
| **Total expenses** | | **477,066** | **513,089** |
| **Profit before tax and exceptional item** | | **37,903** | **35,338** |
| ***Exceptional Item:*** | | | |
| Profit from sale of business units | 2.49 | - | 6,228 |
| **Profit on sale of business units** | | **-** | **6,228** |
| **Profit before income tax** | | **37,903** | **41,566** |
| Current tax | | (10,200) | (10,649) |
| Deferred tax | | 601 | (772) |
| **Total tax expense** | 2.7 | **(9,599)** | **(11,421)** |
| **Profit for the year** | | **28,304** | **30,145** |
| **Other comprehensive income/ (expense)** | | | |
| - Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of the defined benefit liability/(asset) | | 399 | (787) |
| - Income tax effect | | (101) | 198 |
| **Other comprehensive income/ (expense) for the year, net of income tax** | | **298** | **(589)** |
| **Total comprehensive income for the year** | | **28,602** | **29,557** |
| **Earnings per equity share** | | | |
| Basic and diluted earnings per share (INR) | 2.44 | 273.31 | 286.78 |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for* and on behalf of the Board of Directors of
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
*Managing Director*
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
*Company Secretary*

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**
**Statement of changes in equity for the year ended 31 March 2021**

INR in Lacs

| (A) Equity share capital | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Opening balance | 1,051 | 1,051 |
| Changes in equity share capital during the year - buy-back of equity shares (refer note 2.16) | (57) | - |
| **Closing balance** | **994** | **1,051** |

**(B) Other equity**

INR in Lacs

| Particulars | Securities premium | General reserve | Capital reserve | Retained earnings* | Capital redemption reserve | Items of other comprehensive income: Remeasurements of the net defined benefit liability/(asset) | Total other equity |
|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2019** | **3,249** | **2,066** | **271** | **152,872** | **795** | **(522)** | **158,731** |
| Profit for the year | - | - | - | 30,145 | - | - | 30,145 |
| Other comprehensive income, net of tax | - | - | - | - | - | (589) | (589) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **30,145** | **-** | **(589)** | **29,556** |
| **Transactions directly recorded in equity** | | | | | | | |
| Capital reserve on account of demerger (refer note 2.48) | - | - | (7,827) | - | - | - | (7,827) |
| **Balance as at 31 March 2020** | **3,249** | **2,066** | **(7,556)** | **183,017** | **795** | **(1,111)** | **180,460** |
| Profit for the year | - | - | - | 28,304 | - | - | 28,304 |
| Other comprehensive income, net of tax | - | - | - | - | - | 298 | 298 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **28,304** | **-** | **298** | **28,602** |
| **Transactions directly recorded in equity** | | | | | | | |
| Transfer from general reserve to capital redemption reserve on account of buy-back of equity shares (Refer note 2.16) | - | (57) | - | - | 57 | - | - |
| Buy-back of equity shares (including tax on buy-back on equity shares) (Refer note 2.16) | (3,249) | (2,009) | - | (39,294) | - | - | (44,552) |
| **Balance as at 31 March 2021** | **-** | **-** | **(7,556)** | **172,027** | **852** | **(813)** | **164,510** |

*Opening balance of retained earning includes a debit balance of INR 27,155 lacs of amalgamation adjustment deficit account. (refer note 2.16)

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
*Managing Director*
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
Company Secretary

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**

| Statement of cash flows for the | Year ended 31 March 2021 | INR in lacs<br>Year ended 31 March 2020 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit for the year before income tax** | **37,903** | **41,566** |
| Profit from sale of business unit | - | (6,228) |
| Depreciation and amortisation expense | 6,801 | 6,845 |
| Interest income | (6,347) | (8,789) |
| Finance costs | 2,171 | 3,565 |
| Unrealised foreign exchange Loss/ (gain), net | 237 | (2,519) |
| Loss on sale of property, plant and equipment, net | 401 | 208 |
| Employee stock options and restricted stock units | 62 | 237 |
| Provision for doubtful receivables and advances | 3,417 | 275 |
| Provision for litigation no longer required written back | (28) | (999) |
| Provision for temporary diminution no longer required written back | (1,216) | - |
| Provision no longer required (doubtful advances) written back | (9) | (1,247) |
| **Operating profit before working capital changes** | **43,393** | **32,914** |
| Change in trade receivables | (504) | (27,528) |
| Change in inventories | 8,978 | (6,933) |
| Change in financial assets and other assets | (323) | 3,684 |
| Change in trade payables | (3,226) | (2,813) |
| Change in financial liabilities and other liabilities | 8,661 | 11,032 |
| Change in provisions | 1,170 | (1,532) |
| **Cash generated from operating activities** | **58,150** | **8,825** |
| Income tax paid (net) | (9,425) | (11,979) |
| **Net cash generated / (used) from operating activities (A)** | **48,725** | **(3,154)** |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment and other intangible assets (including capital work in progress and capital advances) | (4,723) | (6,176) |
| Purchase of Investments* | - | (11) |
| Proceeds from sale of business unit (refer note 2.49) | - | 5,191 |
| Proceeds from sale of property, plant and equipment | 643 | - |
| Change in current financial assets - (Cash pool balance) | 13,238 | (15,492) |
| Change in Bank deposit (having maturity more than twelve month from reporting date) | 3 | (1) |
| Interest received | 6,965 | 8,920 |
| **Net cash generated / (used) in investing activities (B)** | **16,126** | **(7,569)** |
| **Cash flows from financing activities** | | |
| Buy-back of equity shares (including tax on buy-back on equity shares) (refer note 2.16) | (44,609) | - |
| Repayment of lease obligations | (3,646) | (3,535) |
| Interest paid | (1,260) | (2,543) |
| **Net cash used in financing activities (C)** | **(49,515)** | **(6,078)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | 15,336 | (16,802) |
| Cash and cash equivalents at beginning of the year | 26,268 | 42,450 |
| Exchange difference on translation of foreign currency cash and cash equivalents | (176) | 620 |
| **Cash and cash equivalents at end of year** | **41,428** | **26,268** |
| **Notes to statement of cashflow** | | |
| Book overdraft (refer note 2.23) | (270) | (256) |
| Cash and cash equivalents at end of year (refer note 2.12) | 41,698 | 26,524 |
| **Total** | **41,428** | **26,268** |

* Purchase of Investment in Wipro Ge Medical Device Manufacturing Private Limited is INR 10,000 which is rounded off to nearest lacs.

| **Reconciliation between opening and closing balance sheet for liabilities arising from financing activities** | Year ended 31 March 2021 | INR in lacs<br>Year ended 31 March 2020 |
|---|---|---|
| Balance as at the beginning of the year | 9,322 | 9,435 |
| Additions to lease liabilities during the year | 2,931 | 2,400 |
| Deletion of lease liabilities during the year | (137) | - |
| Finance cost accrued during the year | 911 | 1,022 |
| Cash outflow during the year | (3,646) | (3,535) |
| **Total liabilities from financing activities** | **9,381** | **9,322** |

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
*Managing Director*
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
*Company Secretary*

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

## 1.1 Reporting entity

Wipro GE Healthcare Private Limited ('the Company'), a private limited Company, is a joint venture between General Electric Company, USA ('GE' or 'the parent') and Wipro Enterprises Private Limited ('Wipro').

The Company is focused towards healthcare segment in South Asia. The Company manufactures and trades in medical equipment's. Further, it is also engaged in providing software services and technology solutions to its parent for products manufactured worldwide. The Company is also engaged in the business of trading of medical diagnostic products and imaging agents including contrast media and nuclear medicine cold kits, engineering related services for products manufactured worldwide, renders Information Technology ('IT') and IT enabled services to its group companies. The Company is domiciled in India and has its registered office in Bengaluru, Karnataka, India.

## 1.2 Basis of preparation of financial statements

### A. Statement of compliance and basis of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2021. The standalone financial statements were authorised for issue by the Company's Board of Directors on 29 June 2021.

Details of the Company's accounting policies are included in Note 1.3.

### B. Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is Company's functional currency. All amounts have been rounded off to the nearest lacs, unless otherwise stated.

### C. Basis of measurement

The standalone financial statements have been prepared on historical cost basis and on an accrual basis, except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivatives instrument) | Fair value |
| Liabilities for share-based payment arrangements | Fair value |
| Net defined benefit (asset)/liability | Fair value of the plan assets less present value of defined benefit obligations. |

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## 1.2 Basis of preparation of financial statements (continued)

### D. Use of estimates and judgment

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

**Use of estimates and judgements**
Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed below:

#### i. Revenue recognition

The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the standalone selling price. The Company uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts and costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

#### ii. Income taxes and other taxes

The major tax jurisdiction of the Company is India. Significant judgements are involved in determining the provision for income taxes and other taxes such as customs, goods and service tax, sales tax, service tax, VAT etc. including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

#### iii. Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and residual value. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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## 1.2 Basis of preparation of financial statements (continued)

### Use of estimates and judgements (continued)

#### iv. Warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

#### v. Recognition of Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilized. Deferred tax assets –unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

#### vi. Recognition of Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes

- Measurement of defined benefit obligation: key actuarial assumptions (refer Note 2.39)
- Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources (refer Note 2.34 and 2.36)
- Recognition of impairment of financial assets (refer Notes 2.4, 2.5, 2.6, 2.11, 2.12, 2.13, 2.14 and 2.40)
- Impairment test of non-financial assets; key assumptions underlying recoverable amounts of goodwill (refer Note 1.3L(b))

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## 1.2 Basis of preparation of financial statements (continued)

### E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of assets or liability fall into different levels of fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 2.41 - Employee stock compensation
- Note 1.3B and 2.40 – Financial Instruments
- Note 2.39 – Assets and liabilities relating to Employee benefits

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## 1.3 Significant accounting policies

### A. Foreign currency transactions and translations

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of transactions or at the average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### B. Financial instruments

#### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### ii. Classification and subsequent measurement

*Financial assets*

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit and loss ('FVTPL') or fair value through other comprehensive income ('FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whole objective is to hold assets to collect contractual cash flows and;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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## 1.3 Significant accounting policies (continued)

### B. Financial Instruments (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

#### iii. Derecognition

***Financial assets***

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers or retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

***Financial liabilities***

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.
The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

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## 1.3 Significant accounting policies (continued)

### B. Financial Instruments (continued)

***Offsetting:***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### iv. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

### C. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Book overdrafts are classified as part of cash and cash equivalent, as they form an integral part of Company's cash management.

### D. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

### E. Property, plant and equipment

#### i. Recognition and initial measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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## 1.3 Significant accounting policies (continued)

### E. Property, plant and equipment (continued)

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs, directly attributable to bring the item to the working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Cost of property, plant and equipment not ready for use before the reporting date is disclosed as capital work-in-progress and is stated at cost. Advances paid towards the acquisition of fixed assets outstanding as of each reporting date is disclosed under other non-current assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant or equipment is recognized in statement of profit and loss.

#### ii. Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

#### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method. Assets acquired under leases are depreciated over the shorter of lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use as prescribed under Part C of Schedule II of the Act. The estimated useful lives of the items of property, plant and equipment are as follows:

| Category | Estimated useful Life |
|---|---|
| Building | 30 years |
| Plant and Machinery | 15 years |
| Furniture and fixtures | 10 years |
| Air Conditioner | 10 years |
| Electrical Installation | 10 years |
| Computer equipment and software | 3 years |
| Vehicles | 8 years |
| Office Equipment | 5 years |
| Leasehold improvements | Lower of useful life of the asset or lease term |

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## 1.3 Significant accounting policies (continued)

### E. Property, plant and equipment (continued)

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the month in which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### iv. Goodwill and other intangible assets

Intangible fixed assets comprise computer software and goodwill on acquisition of assets / business. Software is amortised over its useful life as estimated by the Management, which represents the period over which the Company expects to derive future economic benefits from the use of the intangible asset.

Goodwill arising on acquisition of assets / business is not amortised. It is tested for impairment on a yearly basis and written-off, if found impaired.

### F. Inventories

i. Inventories are carried at the lower of cost and net realisable value.

ii. Cost of inventories comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The method of determination of cost is as follows:

- Raw materials and components -on a first in first out method.
- Stores and spares – on a first in first out method.
- Finished goods – includes costs of conversion.
- Traded goods – at landed cost on a first in first out method.
- Goods in Transit- at purchase cost.

iii. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

iv. The comparison of cost and net realisable value is made on an item-by-item basis.

v. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of the related of finished goods. Raw materials, components and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

vi. The provision for inventory obsolescence is assessed on a quarterly basis and is provided as considered necessary.

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## 1.3 Significant accounting policies (continued)

### G. Revenue recognition

The Company has implemented Ind-AS 115 'Revenue from Contracts with Customers' effective April 1, 2018 using cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price.

*i. Sale of manufactured and traded goods*

Revenue is recognised upon transfer of control (performance obligation) of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and service tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from sale of manufactured and traded goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.

To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

The Company has determined that the revenues as disclosed in Note 2.37 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company then allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price.

Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

'Unearned revenue(Contract liability)' includes the amounts billed to the customers/ group Companies more than value of services rendered as at the balance sheet date.

## 1.3 Significant accounting policies (continued)

### G. Revenue recognition (continued)

'Advance from customer' includes advances received from customer for sale of goods or services to be provided in the future period.

*ii. Construction Contracts*

Revenue on construction contracts is recognised on a percentage of completion method. The stage of completion of the contract is determined based on the proportion the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. In cases where the outcome of the construction contract cannot be estimated reliably, all foreseeable losses are provided for in the standalone financial statements. The total contract costs is estimated based on technical and commercial estimates.

*iii. Service Income*

Service income includes income from annual maintenance contracts and extended warranty. Income from annual maintenance contracts and extended warranty is recognized on a pro-rata basis over the period of the contract, over which the service is delivered.

The Company provides a one or three-year warranty. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

When the customer has option to purchase the warranty separately, it is accounted for as Service warranty and when the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed- upon specifications, it is accounted as assurance warranty.

*iv. Multiple element arrangements*

In arrangements where single transaction involves sale of equipment and related services such as installation and extended warranty, revenue recognition criteria for each separately identifiable elements is applied. The Company has used the fair value method to allocate the consideration. The consideration is allocated on the basis of relative fair value for each of the element.

*v. Software Income*

Revenue from software services includes engineering related services, information Technology ('IT') and IT enabled services is recognized based on a "cost plus" basis and is billed in accordance with the terms of the arrangement with the group companies, when the related services are performed.

*vi. Commission on Sales*

Commission on sales comprises income earned on sales orders procured on behalf of its group companies and is recognized on shipment of goods by such group companies. The Company follows net accounting for the same.

## 1.3 Significant accounting policies (continued)

### H. Government grants

The Company recognises Government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received. Grants related to income are recognised in statement of profit and loss as other operating revenues.

The Company is eligible to obtain financial incentive at a certain percentage of capital expenditure incurred on new product introduction, capacity enhancement, new equipment to address technological obsolescence and advanced and improved manufacturing process under Modified Special Incentive Package Scheme (M-SIPS) issued by Ministry of Communications and Information Technology on satisfaction of certain conditions mentioned under the particular scheme. As this grant relates to depreciable assets they are being recognised in the statement of profit and loss over the periods and in the proportions in which depreciation expense on those assets are recognised.

### I. Recognition of interest income or expense

Finance and other income comprises interest income on deposits and gains / (losses) on disposal of financial assets that are measured at FVTPL (Fair Value Through Profit or Loss).

Interest income or expense is recognised using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### J. Employee benefits

#### Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### Share based payment transactions

The Company has not issued any shares / stock options on its shares. The ultimate holding Company has, however, issued restricted stock units and stock options on its own shares to certain employees of the Company. As cost of such restricted stock units and stock option have been invoiced to the Company based on fair value method, the Company measures and discloses such cost using fair value method. The compensation cost is amortised over the vesting period of the stock option / restricted stock units on graded vesting method.

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## 1.3 Significant accounting policies (continued)

### J. Employee benefits (continued)

**Post-employment benefits:**

**Defined contribution plan**

**Superannuation fund**

Contributions to superannuation fund, which is a defined contribution scheme, are made at pre-determined rates to the Life Insurance Corporation of India on a monthly basis.

**Defined benefit plan**

**Provident Fund**

Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. The contribution is made to the approved provident fund trust managed by the Company. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

**Gratuity**

The Company's gratuity benefit scheme is a defined benefit plan. The calculation of the defined benefit plan is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognized in Other Comprehensive Income and are not reclassified to profit and loss in the subsequent periods. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in statement of profit and loss.

The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the balance sheet date. The Company's gratuity scheme is administered by Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in the benefit that related to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in statement of profit and loss. The Company recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

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## 1.3 Significant accounting policies (continued)

### J. Employee benefits (continued)

**Compensated absences**

The employees have earned the right to avail the leave and they are entitled to avail the leave at any time during the year. Since the employee has an unconditional right to avail the leave, the same is classified as "current".

The net obligation in respect of long-term employee benefits is the benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognized in statement of profit and loss in the period in which they arise.

**Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

### K. Income tax

Income tax comprises current tax and deferred tax. It is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using the tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable statement of profit and loss at the time of transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

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## 1.3 Significant accounting policies (continued)

### K. Income tax (continued)

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer possible respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The effect of changes in tax rates in deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income tax levied by the same tax authority on same taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### L. Impairment of assets

#### a) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows on the financial asset have occurred.

Evidence that a financial assets is credit-impaired includes the following observable data:-

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default.
- the restructuring of a loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation or
- the disappearance of an active market for a security because of financial difficulties

The Company measures loss allowance at an amount equal to lifetime expected losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition and are measured at an amount equal to 12 month expected credit losses.

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## 1.3 Significant accounting policies (continued)

### L. Impairment of assets (continued)

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit loses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or;

- The financial asset is more than 180 days past due.

**Measurement of expected credit losses**

Expected credit losses are probably weighted estimate of credit losses. Credit losses are measured at present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive)

**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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## 1.3 Significant accounting policies (continued)

### L. Impairment of assets (continued)

### b) Non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether they is any indication of impairment; if any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGU's). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGU's.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that current reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. office building to provide support to various CGU's) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGU's to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets of the CGU (or group of CGU's) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount
that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### M. Business Combinations

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

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## 1.3 Significant accounting policies (continued)

### N. Provisions and Contingent Liability

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected economic benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Warranty costs are estimated by the Management on the basis of a internal technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

### O. Leases

(i) The Company as Lessee-

The Company lease asset classes primarily consist of leases for premises and vehicles.

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether-

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

This policy has been applied to contracts existing and entered into on or after 1 April 2019.

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## 1.3 Significant accounting policies (continued)

### O. Leases (continued)

The Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the

Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero, any further reduction is recognised in statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expense over the lease term.

Lease liability and right-of-use asset have been separately presented in the Balance sheet and the lease payments have been classified as financing cash flows.

(ii) The Company as lessor-

Leases for which the Company is a lessor is classified as a finance lease or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract of classified as finance lease. All other leases are classified as operating lease. Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### P. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive.

### Q. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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## 1.3 Significant accounting policies (continued)

### R. Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Distribution and Manufacturing and Software.

### S. Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### T. Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

### U. Recent accounting pronouncement

MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet**:
• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters.
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• Incase the Company has borrowed the funds from banks or financial institutions and have not utilized those funds for the purpose it was obtained, then the Company would be required to disclose details of such utilization.
• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**
• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.1 Property, plant and equipment**

| | Freehold land# | Buildings | Leasehold Improvements | Plant and equipment Owned | Plant and equipment Leased | Furniture and fixtures | Air conditioners | Computer equipment | Vehicles taken on Lease | Office equipment Owned | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | |
| **At 31 March 2019** | **447** | **3,026** | **759** | **24,791** | **950** | **673** | **164** | **5,497** | **1,219** | **4,994** | **42,520** |
| Additions | - | 15 | 815 | 3,224 | - | 73 | - | 653 | - | 40 | 4,820 |
| Disposals/adjustments** | - | (2) | (22) | (2,369) | - | (3) | - | (332) | - | (99) | (2,827) |
| Derecognition on account of INDAS 116 | - | - | - | - | - | - | - | - | (1,219) | - | (1,219) |
| Derecognition on account of scheme of Demerger (refer note 2.48) | - | 0 | (50) | (2,160) | - | (14) | - | (75) | - | (990) | (3,289) |
| **At 31 March 2020** | **447** | **3,039** | **1,502** | **23,486** | **950** | **729** | **164** | **5,743** | **-** | **3,945** | **40,005** |
| Additions | - | 491 | 41 | 3,907 | - | - | - | 202 | - | 12 | 4,653 |
| Disposals/adjustments | - | (26) | - | (2,623) | (950) | (23) | (7) | (643) | - | (366) | (4,638) |
| **At 31 March 2021** | **447** | **3,504** | **1,543** | **24,770** | **-** | **706** | **157** | **5,302** | **-** | **3,591** | **40,020** |
| **Accumulated depreciation** | | | | | | | | | | | |
| **At 31 March 2019** | **-** | **465** | **87** | **7,453** | **929** | **312** | **54** | **3,359** | **1,105** | **2,744** | **16,508** |
| Depreciation | - | 130 | 32 | 2,058 | - | 84 | 14 | 890 | - | 630 | 3,838 |
| Disposals/adjustments | - | (1) | (16) | (2,165) | - | (2) | - | (260) | - | (98) | (2,543) |
| Derecognition on account of INDAS 116 | - | - | - | - | - | - | - | - | (1,105) | - | (1,105) |
| Derecognition on account of scheme of Demerger (refer 2.48) | - | 0 | (6) | (642) | - | (7) | - | (58) | - | (542) | (1,255) |
| **At 31 March 2020** | **-** | **594** | **97** | **6,704** | **929** | **387** | **68** | **3,931** | **-** | **2,734** | **15,443** |
| Depreciation | - | 136 | 231 | 2,096 | - | 74 | 13 | 667 | - | 446 | 3,663 |
| Disposals/adjustments | - | (20) | - | (1,743) | (929) | (21) | (3) | (617) | - | (275) | (3,608) |
| **At 31 March 2021** | **-** | **710** | **328** | **7,057** | **-** | **440** | **78** | **3,981** | **-** | **2,905** | **15,498** |
| **Net carrying amount** | | | | | | | | | | | |
| **At 31 March 2020** | **447** | **2,445** | **1,405** | **16,782** | **21** | **342** | **96** | **1,812** | **-** | **1,211** | **24,562** |
| **At 31 March 2021** | **447** | **2,794** | **1,215** | **17,713** | **-** | **266** | **79** | **1,321** | **-** | **686** | **24,522** |

** Disposals for year ended 31 March 2020, include transfer of computer equipments towards sale of business (refer note 2.49). The gross block and net block of such computer equipments were INR 186 lacs and INR 65 lacs respectively.
Refer note 2.34 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
# The title deeds of freehold land are not held in the name of the Company. These are transferred from GE Medical Systems (India) Private Limited on its merger with the Company in the year 2012-13. The court order on the aforesaid merger transferred the ownership of freehold land in favour of the Company.

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**2.2 Lease**

**Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:** **INR in Lacs**

| | Premises | | Vehicle | | Total | |
|---|---|---|---|---|---|---|
| **Particulars** | **31 March 2021** | **31 March 2020#** | **31 March 2021** | **31 March 2020#** | **31 March 2021** | **31 March 2020#** |
| **Balance as at beginning of the year** | 7,480 | 7,280 | 1,782 | 2,155 | 9,262 | 9,435 |
| Addition | 2,650 | 1,422 | 281 | 978 | 2,931 | 2,400 |
| Deletion | - | - | (127) | - | (127) | - |
| Depreciation | (1,904) | (1,222) | (874) | (1,351) | (2,778) | (2,573) |
| **Balance as at the end of the year** | **8,226** | **7,480** | **1,062** | **1,782** | **9,288** | **9,262** |

# Balance at the beginning of the year represents the right-of-use asset of INR 9,435 recognised as at transition date i.e. 1 April 2019.

**The following is the movement in lease liabilities during the year ended 31 March 2021 and 31 March 2020:** **INR in Lacs**

| **Particulars** | **31 March 2021** | **31 March 2020#** |
|---|---|---|
| **Balance as at beginning of the year** | 9,322 | 9,435 |
| Addition | 2,931 | 2,400 |
| Deletion | (137) | - |
| Finance cost accrued during the period | 911 | 1,022 |
| Payment of lease liabilities | (3,646) | (3,535) |
| **Balance as at the end of the year** | **9,381** | **9,322** |

# Balance at the beginning of the year represents the lease liability asset of INR 9,435 recognised as at transition date i.e. 1 April 2019.

**The following is the break-up of current and non-current lease liabilities as at 31 March 2021:** **INR in Lacs**

| **Particulars** | **31 March 2021** | **31 March 2020#** |
|---|---|---|
| Current | 2,448 | 2,266 |
| Non-current | 6,933 | 7,056 |
| **Total** | **9,381** | **9,322** |

**The contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:** **INR in Lacs**

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Within one year | 3,239 | 3,059 |
| After one year but not more than five years | 7,590 | 7,361 |
| More than five years | 704 | 1,170 |
| **Total** | **11,533** | **11,590** |

**The following are the amounts recognised in statement of profit or loss:** **INR in Lacs**

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Amortisation of Right-of- use asset | 2,778 | 2,573 |
| Interest on lease liabilities | 911 | 1,022 |
| Rental expense recorded for low value asset | 1,958 | 2,097 |
| **Total** | **5,647** | **5,692** |

**Operating Lease as Lessor:**

The Company provides medical equipments under operating lease. Lease income earned during the year amounts to Nil (31 March 2020 : INR 133 lacs).

Lease contracts entered by the Company pertains for premises and vehicles taken on lease. The company does not foresee any impact on leases due to COVID -19.

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**2.3 Goodwill and other intangible asset**

INR in lacs

| | Computer software | Goodwill | Total |
|---|---|---|---|
| **Cost** | | | |
| **At 1 April 2019** | **1,301** | **6,253** | **7,554** |
| Additions | 757 | - | 757 |
| Disposals | (294) | - | (294) |
| Derecognition on account of scheme of Demerger (refer note 2.48) | (356) | (3,407) | (3,763) |
| **At 31 March 2020** | **1,408** | **2,846** | **4,254** |
| Additions | 117 | - | 117 |
| Disposals | (50) | - | (50) |
| **At 31 March 2021** | **1,475** | **2,846** | **4,321** |
| **Accumulated amortisation** | | | |
| **At 1 April 2019** | **1,022** | - | **1,022** |
| Amortisation | 433 | - | 433 |
| Disposals | (295) | - | (295) |
| Derecognition on account of scheme of Demerger (refer note 2.48) | (330) | - | (330) |
| **At 31 March 2020** | **830** | - | **830** |
| Amortisation | 360 | - | 360 |
| Disposals | (38) | - | (38) |
| **At 31 March 2021** | **1,152** | - | **1,152** |
| **Net carrying amount** | | | |
| **At 31 March 2020** | **578** | **2,846** | **3,424** |
| **At 31 March 2021** | **323** | **2,846** | **3,169** |

**Goodwill**

For the purpose of impairment testing, goodwill had been allocated to the cash generating units (CGU) as given below

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Distribution and Manufacturing | 2,846 | 2,846 |
| | **2,846** | **2,846** |

*During the year ended 31 March 2020, consequent to the scheme of Demerger, goodwill of INR 3407 lacs had been transferred to Hyclone Life Sciences Solutions India Private Limited (refer note 2.48)

The key assumptions used in estimation of recoverable amount are set out below:

| Assumptions | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Annual growth rate | 5% | 5% |
| Terminal growth rate | 3% | 3% |
| Discounting rate | 11.3% | 13.1% |

The value assigned to key assumptions represent management assessment of future trend and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risk specific to a CGU. The discount rate is estimated based on the capital asset pricing method. The cash flow projections included specific estimates developed using internal forecasts. the planning horizon reflects the assumptions for short to midterm market developments. Management believes that any reasonably possible changes in key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

**2.4 Financial assets - Investments**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Investments in equity instruments** | | |
| **Unquoted equity shares** | | |
| **Investment in a subsidiary companies at cost** | | |
| Wipro GE Medical Device Manufacturing Private Limited* | - | - |
| 1,000 (31 March 2020: Nil) equity shares of INR 10 each | | |
| GE Healthcare Lanka Private Limited | 11 | 11 |
| 25,815 (31 March 2020: 25,815) equity shares of Lankan Rupee 100 each, fully paid up | | |
| GE Healthcare Bangladesh Limited | 1,216 | 1,216 |
| 16,618,262 (31 March 2020: 16,618,262) equity shares of Bangladesh Taka 10 each, fully paid up | | |
| Less: Allowance for other than temporary diminution | - | (1,216) |
| | 1,227 | 11 |
| **Investment in equity accounted investee at cost** | | |
| **Associate** | | |
| Genworks Health Private Limited | 78 | 78 |
| 780,000 (31 March 2020: 780,000) equity shares of Rs 10 each, fully paid up | | |
| Less: Allowance for other than temporary diminution | (78) | (78) |
| | - | - |
| | **1,227** | **11** |

* Investment in Wipro Ge Medical Device Manufacturing Private Limited as at 31 March 2021 is INR 10,000 ( 31 March 2020: Nil) rounded off to nearest lacs.

| | | |
|---|---|---|
| Aggregate value of unquoted investments | 1,305 | 1,305 |
| Aggregate amount of impairment in value of investments | 78 | 1,294 |

**2.5 Financial assets - Loans receivables (non-current)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Rental deposits* | 402 | 423 |
| | **402** | **423** |

*includes deposits with related parties (refer note 2.42)

**2.6 Financial assets - Other financial assets (non-current)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Earnest money deposits | 973 | 933 |
| Deposits with a maturity of more than twelve months from the reporting date | 46 | 43 |
| Government grants ** | 266 | 266 |
| Other deposits | 151 | 158 |
| | **1,436** | **1,400** |
| ***Unsecured, considered doubtful*** | | |
| Doubtful Earnest money deposit | 1,094 | 850 |
| Advance to GE Healthcare Bangladesh Limited, a subsidiary* | 429 | 429 |
| Less: Allowance for doubtful receivables and advances^ | (1,523) | (1,279) |
| | - | - |
| | **1,436** | **1,400** |

The Company's exposure to interest rate risk is disclosed in note 2.40
* includes due from related party (refer note 2.42)
**Refer note 2.43

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**2.7 Income tax**

**(a) Amount recognised in Statement of profit and loss**

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **Current tax** | | |
| Current period | 10,090 | 10,550 |
| Changes in estimates related to prior years | 110 | 99 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | (601) | (471) |
| Reduction in tax rate* | - | 1,243 |
| **Tax expense for the year** | **9,599** | **11,421** |
| | | |
| **Reconciliation of effective tax rate** | | |
| Profit before income tax | 37,903 | 41,566 |
| Tax using the Company's domestic income tax rate 25.17% (March 31, 2020 - 25.17%) | 9,540 | 10,462 |
| *Tax effect of amounts which are not deductible / (taxable) in calculating taxable income* | | |
| Impact of deductions under Section 80G and 80JJAA of income tax act, 1961 | 69 | 103 |
| Impact of change in tax rate adopted for tax on business income | - | 1,243 |
| Impact of different tax rate on capital gain | - | (107) |
| Changes in estimates related to prior years | 110 | 99 |
| Others | (120) | (379) |
| | **9,599** | **11,421** |
| **Effective tax rate** | **25.33%** | **27.48%** |

*The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company had recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of INR 1,243 lacs and INR 78 lacs recognised in the Statement of profit and loss and Other Comprehensive Income respectively as a transition adjustment for the year ended 31 March 2020.

**(b) Recognised deferred tax assets and liabilities**

The following is the movement of deferred tax assets / liabilities presented in the balance sheet

INR in lacs

| For the year ended 31 March 2021 | Opening balance | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|
| **Deferred tax asset** | | | | |
| Provision for doubtful receivables and advances, provision for litigations | 3,304 | 407 | - | 3,711 |
| Lease liabilities | 2,346 | 15 | | 2,361 |
| Employee benefit obligations | 2,261 | 180 | (101) | 2,340 |
| Others | 172 | (51) | - | 121 |
| **Gross deferred tax assets** | **8,083** | **551** | **(101)** | **8,533** |
| **Deferred tax liability** | | | | |
| Right-of- use asset | 2,331 | 7 | - | 2,338 |
| Property, plant and equipment and intangible assets | 1,603 | (57) | - | 1,546 |
| **Gross deferred tax liability** | **3,934** | **(50)** | **-** | **3,884** |
| **Net deferred tax asset** | **4,149** | **601** | **(101)** | **4,649** |

| For the year ended 31 March 2020 | Opening balance | Impact on account of change in tax rate | | Recognised in profit or loss | Recognised in OCI | Closing balance |
|---|---|---|---|---|---|---|
| | | Recognised through Statement of Profit and Loss | Recognised through other comprehensive income | | | |
| **Deferred tax asset** | | | | | | |
| Provision for doubtful receivables and advances, provision for litigations | 4,393 | (1,229) | - | 140 | - | 3,304 |
| Employee benefit obligations | 3,640 | (940) | (78) | (636) | 276 | 2,261 |
| Lease liabilities | 2,375 | - | - | (28) | | 2,346 |
| Others | 121 | (34) | - | 85 | - | 172 |
| **Gross deferred tax assets** | **10,529** | **(2,203)** | **(78)** | **(439)** | **276** | **8,083** |
| **Deferred tax liability** | | | | | | |
| Property, plant and equipment and intangible assets | 3,430 | (960) | - | (867) | - | 1,603 |
| Right-of- use asset | 2,374.8 | - | - | (43) | | 2,331 |
| **Gross deferred tax liability** | **5,805** | **(960)** | **-** | **(910)** | **-** | **3,934** |
| **Net deferred tax asset (liabilities)** | **4,724** | **(1,243)** | **(78)** | **471** | **276** | **4,149** |

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### 2.8 Income tax assets (net)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Considered good** | | |
| Advance tax and tax deducted at source (net of provision) | 8,251 | 9,026 |
| Income tax paid under protest | 7,089 | 7,089 |
| | **15,340** | **16,115** |
| **Considered doubtful** | | |
| Advance tax and tax deducted at source | 22 | 26 |
| Less: Allowance for doubtful receivables | (22) | (26) |
| | - | - |
| | **15,340** | **16,115** |

### 2.9 Other non-current assets

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Sales tax and custom duty paid under protest | 1,141 | 1,822 |
| Customs duty receivable | 1,430 | 1,430 |
| Value added tax and service tax input credit | 28 | 29 |
| Advances | 50 | 13 |
| | **2,649** | **3,294** |
| ***Unsecured, considered doubtful*** | | |
| Sales tax and custom duty paid under protest | 2,328 | 1,807 |
| Exports incentive receivables | 804 | - |
| Advances | 59 | 30 |
| Less: Allowance for doubtful receivables and advances | (3,191) | (1,837) |
| | - | - |
| | **2,649** | **3,294** |

### 2.10 Inventories (valued at lower of cost and net realisable value)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Raw materials and components (including goods in transit INR 2,423 lacs, 31 March 2020: INR 1,043 lacs) | 10,348 | 9,709 |
| Work in Progress | 3,017 | 772 |
| Finished goods | 606 | 665 |
| Stock-in-trade (including goods in transit INR 8,824 lacs, 31 March 2020: INR 12,108 lacs) | 22,663 | 34,389 |
| Stores and spares (including goods in transit INR 2,154 lacs, 31 March 2020: INR 1,547 lacs) | 13,510 | 13,587 |
| | **50,144** | **59,122** |

Inventories pledged as securities for guarantees provided by banks on behalf of Company amounting to INR 3,500 lacs

As at 31 March 2021, the total provision for slow non moving inventories amounted to INR 6,551 lacs (31 March 2020: INR 6,812 lacs).

### 2.11 Financial assets - Trade receivables

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured*** | | |
| - considered good * | 108,324 | 109,344 |
| - considered doubtful | 5,798 | 3,980 |
| | 114,122 | 113,324 |
| Less: Allowance for doubtful receivables | (5,798) | (3,980) |
| | **108,324** | **109,344** |

The Company's exposure to credit and currency risks, and loss allowances are disclosed in note 2.40.

During the year ended 31 March 2020, Consequent to the scheme of Demerger, the Trade receivables of INR 5,104 lacs and allowance for doubtful receivables of INR (89) lacs had been transferred to Hyclone Life Sciences Solutions India Private Limited. (Refer note 2.48)

*includes due from related parties (refer note 2.42)

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**2.12 Financial assets - Cash and cash equivalents**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash on hand* | 1 | 1 |
| Balances with banks | | |
| - Current accounts | 40,361 | 25,159 |
| - Cheques in hand | 1,337 | 1,364 |
| **Cash and cash equivalents in balance sheet** | **41,698** | **26,524** |

Companies exposure to credit, currency and liquidity risk are disclosed in note 2.40
* The cash on hand as at 31 March 2021 is INR 65,605 rounded off to nearest lacs.

**2.13 Financial assets - Loans receivables (current)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Cash pool balance* | 134,095 | 147,951 |
| Rental deposits | 24 | 25 |
| | **134,119** | **147,976** |

The Company's exposure to interest rate risk is disclosed in note 2.40.
*includes due from related parties (refer note 2.42)

**2.14 Financial assets - Other financial assets (current)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Receivable from Ge Healthcare Global Private Limited*/# | 74 | 74 |
| Advance to GE Healthcare Bangladesh Limited, a wholy owned subsidiary* | - | 161 |
| Unbilled revenue* | 2,464 | 1,681 |
| | **2,538** | **1,916** |

* includes due from related party (refer note 2.42)
# Erstwhile Datex-Ohmeda (India) Private Limited

**2.15 Other current assets**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good (unless otherwise stated)*** | | |
| Balances with government authorities (goods and service tax) | 7,718 | 6,312 |
| Exports incentive receivables^ | 13 | 1,068 |
| Prepayments | 1,616 | 1,617 |
| Supplier advances* | 609 | 2,239 |
| **Total** | **9,956** | **11,236** |

*includes due from related parties (refer note 2.42)
^ represents duty credit scrips held in hand as on 31 March 2021.

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**2.16 Equity share capital**

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| | | INR in lacs |
| **Authorised** | | |
| **Equity shares** | | |
| 11,000,000 (previous year: 11,000,000) equity shares of INR 10 each | 1,100 | 1,100 |
| | **1,100** | **1,100** |
| **Issued, subscribed and fully paid up** | | |
| **Equity shares** | | |
| 9,937,961 (previous year: 10,511,423) equity shares of INR 10 each | 994 | 1,051 |
| | **994** | **1,051** |

Reconciliation of the shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | Number of shares | Amount (INR in lacs) | Number of shares | Amount (INR in lacs) |
| Shares outstanding at the beginning of the year | 10,511,423 | 1,051 | 10,511,423 | 1,051 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year (refer below note) | 573,462 | 57 | - | - |
| Shares outstanding at the end of the year | 9,937,961 | 994 | 10,511,423 | 1,051 |

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the period of five years immediately preceding 31 March 2021, no shares have been allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

**Buy-back of Equity Shares:**

The Board of Directors, at its meeting held on 18 December 2020, approved a proposal for the Company to buy-back its fully paid up equity shares of face value of INR 10/- each from the eligible equity shareholders of the Company for an aggregate amount not exceeding INR 36,191 lacs.This amount represents 19.03% of the aggregate paid up equity share capital and free reserves (including securities premium account and capital reserves) as per unaudited special purpose condensed Interim standalone financial statements of the Company for the six months period ended 30 September 2020 and was within the statutory limit applicable for buy-back. The Buy-back offer comprised a purchase of 573,462 equity shares representing 5.46% of the total number of paid up equity shares of the Company at a price of INR 6,311/- per equity share of INR 10 each, as per the valuation report obtained from registered valuer. The buy-back was offered to the existing security holders on a proportionate basis. The Company completed the buy-back on 24 December 2020. The Company has created 'Capital Redemption Reserve' for INR 57 lacs equal to the nominal value of shares bought back pursuant to Section 69(1) of the Companies Act, 2013 as an appropriation from general reserve. The Company has completely utilised securities premium amounting to INR 3,249 lakhs and general reserve amounting to INR 2,009 lakhs for the distribution of buyback consideration (inclusive of taxes arising on account of buy back transaction). The Company has utilised retaining earnings amounting to INR 39,294 lacs for the distribution of buyback consideration (inclusive of taxes arising on account of buy back transaction) as securities premium and general reserve were inadequate to that extent.

Equity shares held by holding company and their subsidiaries:

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| General Electric Company U.S.A, holding company | 5,068,359 | 5,360,825 |
| GE Pacific Holdings Pte. Limited, subsidiary of holding company | 1 | 1 |
| | **5,068,360** | **5,360,826** |

Equity shareholders holding more than 5 percent of equity shares along with the number of equity shares held is given below:

| Name of Shareholder | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | No. of shares | % | No. of shares | % |
| General Electric Company U.S.A, holding company | 5,068,359 | 51 | 5,360,825 | 51 |
| Wipro Enterprises Private Limited | 4,869,601 | 49 | 5,150,597 | 49 |

**Other equity**

**Securities premium**

Securities premium pertains to the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**General reserve**

General reserve pertains to transfer of profits from retained earnings for appropriation purposes.

**Capital reserve**

Capital reserve was created on account of amalgamation scheme. It is utilised in accordance with the provisions of the Companies Act, 2013. The excess of assets over liabilities transferred pursuant to the scheme of arrangement was recognised in the capital reserve. (refer note 2.48)

**Capital redemption reserve**

Capital redemption reserve was created on account of buy back of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Amalgamation adjustment deficit account**

The Board of directors of the Company had approved the scheme of amalgamation under Section 391 to 394 and provisions of the Companies Act,1956 for the merger of GE Medical Systems (India) Private Limited and GE Healthcare Private Limited (subsidiaries of the Company) into the Company. The Scheme was approved by the Honorable High Court of Karnataka and Honorable High Court of Delhi dated 24 July 2013 and 27 August 2013 respectively with effect from 1 April 2012. The Company has accounted for the amalgamation in accordance with the treatment prescribed in the Scheme which is in line with the pooling of interest method of accounting prescribed under the Accounting Standard 14 - "Accounting for Amalgamations". All the assets and liabilities recorded in the books of the respective transferor companies was transferred to and vested in the Company pursuant to the Scheme and was recorded by the Company at their book values as appeared in the books of the transferor companies; The identity of the reserves of the transferor companies, if any, to the extent possible was preserved and it appear in the financial statements of the Company in the same form and manner in which they appeared in the financial statements of the transferor companies, prior to this Scheme becoming effective; The deficit of net assets getting transferred to the Company as reduced by the cost of investments in transferor companies appearing in the books of the Company was against the reserves of the Company and accordingly the same has been shown separately as 'Amalgamation Adjustment Deficit Account' aggregating INR 27,155 lacs.

**Analysis of accumulated OCI, net of tax**

Remeasurements of defined benefit liability (asset)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| | | INR in lacs |
| Opening balance | (1,111) | (522) |
| Remeasurements of defined benefit liability (asset) | 298 | (589) |
| **Closing balance** | **(813)** | **(1,111)** |

Remeasurement of defined benefit liability (asset) comprises of actuarial gains and losses and return on plan assets (excluding interest income).

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### 2.17 Financial liabilities - Lease Liabilities (non-current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Lease Liabilities* | 6,933 | 7,056 |
| | **6,933** | **7,056** |

*Refer Note 2.2

### 2.18 Financial liabilities - Other financial liabilities (non-current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Security deposit from dealers | 93 | 93 |
| | **93** | **93** |

### 2.19 Provisions (non-current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 2.39) | 3,932 | 2,810 |
| | **3,932** | **2,810** |

### 2.20 Other non-current liabilities

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Unearned revenue | 30,139 | 27,314 |
| Deferred government grant* | 201 | 205 |
| Unamortised interest | 486 | 247 |
| | **30,826** | **27,766** |

*Refer note 2.43

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### 2.21 Financial liabilities - Lease Liabilities (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Lease Liabilities* | 2,448 | 2,266 |
| | **2,448** | **2,266** |

*Refer Note 2.2

### 2.22 Financial liabilities - Trade payables

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 2.38) | 1,564 | 759 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 121,186 | 124,861 |
| | **122,750** | **125,620** |

The Company's exposure to currency and liquidity risk are disclosed in note 2.40
*includes due to related parties (refer note 2.42)

### 2.23 Financial liabilities - Other financial liabilities (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Book overdraft | 270 | 256 |
| Creditors for capital goods | 593 | 471 |
| Employee related liabilities | 9,857 | 8,519 |
| Employee stock compensation cost payable (refer note 2.41) | 1,842 | 2,517 |
| | **12,562** | **11,763** |

The Company's exposure to liquidity risk are disclosed in note 2.40

### 2.24 Provisions (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Compensated absences | 5,160 | 5,958 |
| **Other provisions** | | |
| Provision for warranties (refer note 2.36) | 4,634 | 4,018 |
| Provision for litigations (refer note 2.36) | 2,432 | 2,629 |
| | **12,226** | **12,605** |

### 2.25 Other current liabilities

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Statutory liabilities | 4,156 | 4,058 |
| Unearned revenue | 40,233 | 36,421 |
| Advance received from customers | 10,279 | 9,199 |
| Deferred government grant* | 28 | 28 |
| | **54,696** | **49,706** |

*Refer note 2.43

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## 2.26 Revenue from operations

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **Sale of goods** | | |
| Sale of manufactured goods # | 94,245 | 97,522 |
| Sale of traded goods # | 245,561 | 257,386 |
| **Total income from sale of goods** | **339,806** | **354,908** |
| | | |
| **Sale of services** | | |
| Service income # | 63,150 | 59,573 |
| Software income # | 100,030 | 110,056 |
| Commission on sales # | 252 | 4,335 |
| **Total income from sale of services** | **163,432** | **173,964** |
| | | |
| **Other operating revenue** | | |
| Contract revenue | 1,854 | 1,852 |
| Scrap sales | 61 | 64 |
| Export incentives** | 1,222 | 2,030 |
| **Total other operating revenue** | **3,137** | **3,946** |
| **Total revenue from operations** | **506,375** | **532,818** |

**The Company under Merchandise Export from India Scheme (MEIS) earns incentive in the form of duty credit scrip. The incentive is paid as percentage of the realized FOB value (in free foreign exchange) for notified goods going to notified markets.

# includes sale of goods/ services from related party (refer note 2.42)

Notes:

a) As per the requirements of Ind AS 115, the Company disaggregates revenue based on the line of business and geography. (refer note 2.37)

b) Information about major customers has been included in segment information. (refer note 2.37)

c) Changes in contract liabilities:

INR in lacs

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Balance at the beginning of the year - | 72,933 | 66,351 |
| Add: Increase due to invoicing during the year | 29,208 | 16,273 |
| Less: Revenue recognised that was included in the deferred revenue at the beginning of the year | (21,491) | (9,691) |
| Balance at the end of the year | 80,651 | 72,933 |
| Expected revenue recognisation from remaining performance obligations: | | |
| - Within one year | 50,512 | 45,619 |
| - More than one year | 30,139 | 27,314 |
| | 80,651 | 72,933 |
| d) Contract balances | | |
| Trade receivables (refer note 2.11) | 108,324 | 109,344 |
| Unbilled revenue (refer note 2.14) | 2,464 | 1,681 |
| | 110,788 | 111,025 |
| Contract liabilities: | | |
| Unearned revenue (refer note 2.20 and 2.25) | 70,372 | 63,734 |
| Advance received from customers (refer note 2.25) | 10,279 | 9,199 |
| | 80,651 | 72,933 |

e) Performance obligations

In relation to information about Company's performance obligations in contracts with customers (refer note 1.3(G)).

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## 2.27 Other income

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Interest income* (refer note 2.40) | 6,347 | 8,789 |
| Foreign exchange gain, net | - | 3,740 |
| Provision for temporary diminution no longer required written back | 1,216 | - |
| Provision for litigation no longer required written back | 28 | 999 |
| Provision no longer required (doubtful advances) written back | 9 | 1,247 |
| Miscellaneous income** | 994 | 834 |
| | **8,594** | **15,609** |

* includes interest income from related parties (refer note 2.42)
**refer note 2.42

## 2.28 Cost of materials consumed

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Raw materials and components consumed *# | | |
| Opening stock | 9,709 | 10,037 |
| Add: purchases | 100,186 | 94,650 |
| Less: closing stock | (10,348) | (9,709) |
| | **99,547** | **94,978** |

* the consumption disclosed is based on the derived figures.
# includes goods in transit

## 2.29 Changes in inventories of finished goods, work in progress and stock-in-trade

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Opening stock * | | |
| Work in Progress | 772 | 1,117 |
| Finished goods | 665 | 445 |
| Stock-in-trade # | 34,389 | 28,889 |
| | 35,826 | 30,451 |
| Less: Transferred to Hyclone Life Sciences Solutions India Private Limited consequent to the scheme of Demerger (refer note 2.48) | - | (865) |
| | **35,826** | **29,586** |
| Less: closing stock * | | |
| Work in Progress | 3,017 | 772 |
| Finished goods | 606 | 665 |
| Stock-in-trade # | 22,663 | 34,389 |
| | **26,286** | **35,826** |
| | **9,540** | **(6,240)** |

# includes goods-in-transit
* refer note 2.10

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## 2.30 Employee benefits expense

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Salaries and wages | 79,370 | 80,975 |
| Contribution to provident funds and other funds | 3,791 | 3,953 |
| Expenses related to post employment defined benefit plans - Gratuity* | 1,563 | 1,719 |
| Employee stock options and restricted stock units** | 62 | 237 |
| Staff welfare expenses | 1,551 | 2,796 |
| | **86,337** | **89,680** |

* refer note 2.39
** refer note 2.41

## 2.31 Finance costs

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Interest expenses | 1,260 | 2,543 |
| Interest on lease liabilities | 911 | 1,022 |
| | **2,171** | **3,565** |

## 2.32 Depreciation and amortisation expense

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Depreciation on property plant and equipment (refer note 2.1) | 3,663 | 3,838 |
| Amortisation of Right-of- use asset (refer note 2.2) | 2,778 | 2,573 |
| Amortisation of intangible assets (refer note 2.3) | 360 | 433 |
| | **6,801** | **6,844** |

## 2.33 Other expenses

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Subcontracting charges | 17,418 | 21,081 |
| Freight outward | 10,208 | 9,012 |
| Legal and professional fees (refer note 2.35) | 9,739 | 15,666 |
| Repairs and maintenance: | | |
| - buildings | 8,599 | 9,076 |
| - plant and machinery | 329 | 234 |
| - others | 1,383 | 1,525 |
| Warranty costs (refer note 2.36) | 5,201 | 5,147 |
| Royalty | 4,920 | 3,813 |
| Travelling and conveyance | 4,210 | 10,760 |
| Rent | 2,596 | 3,661 |
| Commission on sales | 2,392 | 2,966 |
| Provision for doubtful receivables and advances | 3,417 | 275 |
| Consumables and program materials | 1,325 | 2,152 |
| Communication expenses | 1,123 | 1,499 |
| Insurance | 1,201 | 1,642 |
| Corporate social responsibility (refer note 2.45) | 775 | 804 |
| Advertising and sales promotion | 732 | 1,692 |
| Rates and taxes | 640 | 795 |
| Loss on sale of property, plant and equipment, net | 401 | 208 |
| Foreign exchange loss, net | 385 | - |
| Power and fuel | 242 | 351 |
| Miscellaneous | 4,662 | 5,230 |
| | **81,898** | **97,589** |

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**2.34 Contingent liabilities and commitments (to the extent not provided for)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **(i) Contingent liabilities:** | | |
| (a) Claims against the Company not acknowledged as debts (including interest and penalty demanded) | | |
| - Sales tax, Foreign Exchange Management Act, 1999 and other indirect taxes# | 6,720 | 5,016 |
| - Income tax# | 88,028 | 83,695 |
| - Litigations | 3,369 | 2,707 |
| **(ii) Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,390 | 1,391 |
| **(iii) Guarantees outstanding** | | |
| Guarantees provided by banks on behalf of the Company to the Indian Government, customers and certain other agencies | 23,634 | 22,712* |

# Includes interest upto the date of respective notices of demand
*Includes INR 559 lacs related to Bio Pharma division and pursuant to demerger order, subsequent to 31 March 2020, these had been transfered to Hyclone Life Sciences Solutions India Private Limited (Refer note 2.48).

**Notes**

i. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

iii. The guarantees provided by banks on behalf of the Company are secured by first charge on inventory amount of INR 3,500 lacs (Refer Note 2.10).

iv. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**2.35 Auditors' remuneration (excluding goods and service tax) included in legal and professional fees**

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Statutory audit fees | 97 | 91 |
| Group reporting - Singapore | 12 | 11 |
| Tax audit fees | 4 | 4 |
| Limited Review | 17 | - |
| Certification fees | 15 | 3 |
| Reimbursement of expenses | 2 | 1 |
| **Total** | **147** | **110** |

**2.36 Set out below is the movement in provision balances in accordance with IND AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' prescribed in the Companies Act, 2013, to the extent applicable.**

(a) **Provision for warranty:**

Warranty provision is utilised to make good the amount spent on spares, labour, and all other related expenses in the event of failure of equipment during the warranty period. All the amounts are expected to be utilised in the subsequent year. Outflows are expected to maintain the same trend as that of past years. No amount is expected as a reimbursement towards this cost.

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Opening balance | 4,018 | 4,201 |
| Add: provision | 5,201 | 5,147 |
| Less: utilisation | (4,585) | (5,330) |
| **Closing balance** | **4,634** | **4,018** |

(b) **Provision for litigations:**

Provision for litigation includes the provision made towards Customs duty and Sales tax under protest, consumer cases filed against the Company towards defective material supplied, etc. The provision for litigations is utilised to make good any amount payable in the event of any adverse judgement on the Company. The provision is based on informed advice obtained by the Company. The Company, however, can not estimate with reasonable certainty the period of utilization of the same.

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Opening balance | 2,629 | 3,987 |
| Add: provision | 212 | 86 |
| Less: utilisation | (169) | (359) |
| Less: reversal | (240) | (1,085) |
| **Closing balance** | **2,432** | **2,629** |

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### 2.37 Segment Reporting

An operating segment is a component that engages in business activities from which it may earn revenue and incur expenses and for which discrete financial information is available.

The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". The Managing Director evaluates the Company's performance based on an analysis of various performance indicators by operating segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Operating segment of the Company are primarily following:

a) Distribution and Manufacturing - Distribution includes trading in diagnostic ultrasound, medical and surgical systems, computer tomography systems, medical electronic diagnostic imaging products, high power x-ray including image intensifier TV Systems, medical electronic diagnostic equipments, accessories, equipment parts, contract revenue and trading of medical diagnostic products and imaging agents (as these are incidental to the sale of equipments), extended warranty, annual maintenance contracts, commission on sales on sales orders procured on behalf of its group companies and other service arrangements.
Manufacturing includes manufacture of surgical and diagnostic medical equipments. The Company manufactures X-ray equipments, MR tables and X-ray generators in India for global markets.

b) Software - includes development of software for medical equipments, engineering services rendered to Global Technology Organisation (GTO), IT and IT enabled services, accounting and marketing related services to its group companies.

**1 April 2020 to 31 March 2021**

**INR in lacs**

| **Particulars** | **Distribution and Manufacturing** | **Software** | **Unallocated** | **Total** |
|---|---|---|---|---|
| **Revenues** | | | | |
| Segment revenue | 406,345 | 100,030 | - | 506,375 |
| **Total revenues** | **406,345** | **100,030** | **-** | **506,375** |
| **Costs** | | | | |
| Segment cost | (378,465) | (87,207) | (775) | (466,447) |
| Other income | 1,031 | - | 7,563 | 8,594 |
| Depreciation and amortisation expense | (3,054) | (3,747) | - | (6,801) |
| Loss on sale of property, plant and equipment, net | - | - | (401) | (401) |
| Provision for doubtful receivables and advances | (3,417) | - | - | (3,417) |
| **Profit before taxes** | **22,440** | **9,076** | **6,387** | **37,903** |
| Current year tax | - | - | (10,200) | (10,200) |
| Deferred tax charge | - | - | 601 | 601 |
| **Profit after taxes** | **22,440** | **9,076** | **(3,212)** | **28,304** |
| **Other Information** | | | | |
| Segment assets | 184,012 | 22,536 | - | 206,548 |
| Unallocable corporate assets | - | - | 205,422 | 205,422 |
| **Total assets** | **184,012** | **22,536** | **205,422** | **411,970** |
| Segment liabilities | 218,574 | 23,468 | - | 242,042 |
| Unallocable corporate liabilities | - | - | 4,424 | 4,424 |
| **Total liabilities** | **218,574** | **23,468** | **4,424** | **246,466** |

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**2.37 Segment Reporting (continued)**

**1 April 2019 to 31 March 2020** — **INR in lacs**

| Particulars | Distribution and Manufacturing | Software | Unallocated | Total |
|---|---|---|---|---|
| **Revenues** | | | | |
| Segment revenue | 422,762 | 110,056 | - | 532,818 |
| **Total revenues** | **422,762** | **110,056** | **-** | **532,818** |
| **Costs** | | | | |
| Segment cost | (405,772) | (96,632) | (3,358) | (505,762) |
| Other income | 6,820 | - | 8,789 | 15,609 |
| Depreciation and amortisation expense | (3,425) | (3,419) | - | (6,844) |
| Loss on sale of property, plant and equipment, net | - | - | (208) | (208) |
| Provision for doubtful receivables and advances | (275) | - | - | (275) |
| **Profit before taxes** | **20,110** | **10,005** | **5,223** | **35,338** |
| **Exceptional Item:** | | | | |
| Profit from sale of business units | - | 6,228 | - | 6,228 |
| Current year tax | - | - | (10,649) | (10,649) |
| Deferred tax charge | - | - | (772) | (772) |
| **Profit after taxes** | **20,110** | **16,233** | **(6,198)** | **30,145** |
| **Other Information** | | | | |
| Segment assets | 194,551 | 20,280 | - | 214,831 |
| Unallocable corporate assets | - | - | 206,365 | 206,365 |
| **Total assets** | **194,551** | **20,280** | **206,365** | **421,196** |
| Segment liabilities | 209,578 | 23,385 | - | 232,963 |
| Unallocable corporate liabilities | - | - | 6,722 | 6,722 |
| **Total liabilities** | **209,578** | **23,385** | **6,722** | **239,685** |

**Geographical information**

**i. Revenue from operations and Other income** — **INR in lacs**

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| India | 305,760 | 321,820 |
| United States | 131,888 | 145,014 |
| China | 24,136 | 22,517 |
| Singapore | 24,147 | 27,111 |
| Rest of the world | 29,038 | 31,965 |
| **Total** | **514,969** | **548,427** |

**ii. Non-current assets** — **INR in lacs**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| India | 57,478 | 59,095 |

**Major Customer**

Revenue from one customer i.e. GE Precision Healthcare LLC is INR 120,199 lacs for the year ended 31 March 2021 (31 March 2020: 133,405) which contributes more than 10% of the Company total revenue.

**Segment revenue and results**

The expenses that are not directly attributable and that cannot be allocated to a business segment on a reasonable basis are shown as unallocated income and cost respectively.

**Segment assets and liabilities**

Segment assets include all operating assets used by the business segment and consist principally of fixed assets and current assets. Segment liabilities comprise of liabilities which can be directly allocated against the respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively.

**Non-Current Assets**

Non-current assets excludes deferred tax assets and financial assets.

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**2.38 Due to Micro, small and medium enterprise**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the standalone financials statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

**INR in lacs**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 1,564 | 759 |
| The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year; | 1,195 | 2,580 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | 14 | 63 |
| The amount of interest accrued and remaining unpaid at the end of the year | - | 2 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | 192 | 178 |

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the communication circularised by the Company.

**2.39 Assets and liabilities relating to employee benefits**

**(A) Defined benefit plan - Provident fund:**

The qualifying employees receive benefits from a provident fund. The employee and employer each make monthly contributions to the plan. The contribution is made to the provident fund trust established by the Company. The interest rate payable by the trust to the beneficieries is regulated by the statutory authorities. The Company has an obligation to make good the shortfall, if any, between the returns from its investments and the administered rate. The employer contributions are charged to the statement of profit and loss as they accrue.

The details of fund and plan assets are given below:

**INR in lacs**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Fair value of plan assets | 55,226 | 50,915 |
| Present value of defined benefit obligation | (55,226) | (50,915) |
| Net (short fall) / excess | - | - |

The plan assets have been primarily invested in government securities and corporate bonds

**(B) Defined benefit plan - Gratuity:**

The company operates post-employment defined benefit gratuity plan, governed by the Payment of Gratuity Act,1972. The gratuity plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. Under the Payment of Gratuity Act, 1972 the Company is bound to pay the statutory minimum gratuity as prescribed. The scheme is funded by a plan asset. The Company's gratuity scheme is administered by Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited, contribution to plan assets are made based on the actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

**INR in lacs**

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Net defined benefit liability** | | |
| Liability for gratuity | 3,932 | 2,810 |
| **Total employee benefit liabilities** | **3,932** | **2,810** |
| Non-current | 3,932 | 2,810 |
| Current | - | - |

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**2.39 Assets and liabilities relating to employee benefits (continued)**

**(A) Defined benefit plan - Provident fund:**

**The details of the benefit obligation as at 31 March 2021 is as follows:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Benefit obligation at the period end | 55,226 | 50,915 |
| Fair value of plan assets at the end | 55,226 | 50,915 |
| **Net liability recognized in balance sheet** | - | - |

**The following tables set out the funded status of the defined benefit provident fund plan of The Company and the amounts recognized in the Company's financial statements as at 31 March 2021**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Change in benefit obligations** | | |
| Benefit obligations at the beginning | 50,915 | 44,790 |
| Service cost - employer contribution | 2,898 | 2,970 |
| Employee contribution | 4,224 | 3,155 |
| Interest expense | 4,302 | - |
| Actuarial (gains) / loss | 781 | - |
| Benefits paid | (7,894) | - |
| **Benefit obligations at the end** | **55,226** | **50,915** |
| **Change in plan assets** | | |
| Fair value of plan assets at the beginning | 50,915 | 44,790 |
| Interest income | 3,974 | - |
| Remeasurements- Actual return on plan assets less interest on plan assets | 1,109 | - |
| Contributions (employer and employee) | 7,123 | 6,125 |
| Benefits paid | (7,894) | - |
| **Fair value of plan assets at the end** | **55,226** | **50,915** |
| Net liability | - | - |

The expected contribution payable to the plan for next year is INR 5,217 lacs (31 March 2020: INR 5,346 lacs).

**Amount for the year ended 31 March 2021 recognized in the statement of other comprehensive income:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Remeasurements of the net defined benefit liability/ (asset)** | | |
| Actuarial (gains) / losses | 781 | - |
| (Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset) | (781) | - |
| | - | - |

**Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Discount rate (p.a.) | 6.80% | 6.65% |
| Future Derived Return on Assets (p.a.) | 8.78% | 8.77% |
| Discount Rate for the Remaining Term to Maturity of the Investment (p.a.) | 6.45% | 6.40% |
| Average Historic Yield on the Investment Portfolio (p.a.) | 8.43% | 8.52% |
| Guaranteed Rate of Return (p.a.) | 8.50% | 8.50% |

**The breakup of the plan assets into various categories as at 31 March 2021 is as follows:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Government debt instruments | 54.4% | 47.1% |
| Other debt instruments | 41.4% | 44.0% |
| Others | 4.2% | 8.9% |

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation in percentage terms as shown below:

| | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Expected Return (0.5% movement) | 1.41% | -0.63% | 1.44% | -0.64% |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Amount recognised in the Statement of profit and loss:**
**Contributions to provident and other funds:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| (i) Provident fund contributions to the trust | 2,898 | 2,970 |
| (ii) Pension fund paid to the authorities | 530 | 588 |
| (iii) Others | 363 | 395 |
| | 3,791 | 3,953 |

**iv. Risk Exposure**

(i) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Fund return risk : Lower the return on fund, higher the expected shortfall, if Employees Provident Fund Organisation (EPFO) declared return continues to be on the higher side, it will increase the defined benefit obligation.

(iii) Demographic risk : On an increase in membership, there will be an increase in the defined benefit obligation.

(iv) Investment risk: The Company ensures that the investment positions are in line with the obligations under the employee benefit plans. The Company matches assets to the obligations by investing in long-term interest bearing securities with maturities that match the benefit payments as they fall due. A large portion of assets consists of government and corporate bonds. The Company believes that investment in government and corporate bonds offer the best returns over the long term with an acceptable level of risk.

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**2.39 Assets and liabilities relating to employee benefits (continued)**

**(B) Defined benefit plan - Gratuity:**

**i. Reconciliation of present value of defined benefit obligation and fair value of plan assets:**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components — **INR in lacs**

| | Present value of defined benefit obligation | | Fair value of plan assets | | Net defined benefit (asset) liability | |
|---|---|---|---|---|---|---|
| | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** |
| Opening balance | 11,242 | 10,332 | (8,432) | (8,558) | 2,810 | 1,774 |
| **Included in profit or loss** | | | | | | |
| Current service cost | 1,442 | 1,270 | - | - | 1,443 | 1,270 |
| Past service cost | - | - | - | - | - | - |
| Interest cost (Income) | 712 | 725 | (592) | (683) | 120 | 42 |
| | **2,154** | **1,995** | **(592)** | **(683)** | **1,563** | **1,312** |
| | **13,396** | **12,327** | **(9,024)** | **(9,241)** | **4,372** | **3,086** |
| **Included in OCI** | | | | | | |
| Remeasurement loss (gain): | | | | | | |
| Actuarial loss (gain) arising from: | | | | | | |
| Demographic assumptions | (78) | 2 | - | - | (78) | 2 |
| Financial assumptions | (81) | 901 | - | - | (81) | 901 |
| Experience adjustment | (323) | (176) | - | - | (323) | (176) |
| Return on plan assets excluding interest income | - | - | 83 | 60 | 83 | 60 |
| | **(482)** | **727** | **83** | **60** | **(399)** | **787** |
| **Other** | | | | | | |
| Contributions paid by the employer | - | - | (41) | (25) | (41) | (25) |
| Liabilities settled | - | (1,038) | - | - | - | (1,038) |
| Benefits paid | (741) | (774) | 741 | 774 | - | - |
| **Closing balance** | **12,173** | **11,242** | **(8,241)** | **(8,432)** | **3,932** | **2,810** |
| **Net defined benefit liability** | | | | | **3,932** | **2,810** |

The expected contribution payable to the plan for next year is INR 1200 lacs (31 March 2020: INR 2,000 lacs).

**ii. Plan assets**

Plan assets comprise the following: — **INR in lacs**

| | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Insurer managed fund (non-quoted) | 8,241 | 8,432 |
| | **8,241** | **8,432** |

**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Discount rate | 6.80% | 6.65% |
| Salary escalation rate | 8.5%, until 1 year inclusive, then 8.00%. | 9.0%, until 1 year inclusive, then 8.00%. |
| Attrition rate | PB+LPB : 11.31%<br>SPB & Above : 11.26%<br>OTHSAL : 1.15% | PB+LPB : 10.61%<br>SPB & Above : 9.69%<br>OTHSAL : 1.47% |

**Mortality rate**

Assumptions regarding future mortality have been based on published rates under the Indian Assured Lives Mortality (2012-14) Ult table

**ii. Projected plan cash flow**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the

**INR in lacs**

| **Maturity profile** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Expected benefits for year 1 | 1,337 | 1,072 |
| Expected benefits for year 2 | 1,281 | 1,070 |
| Expected benefits for year 3 | 1,283 | 1,138 |
| Expected benefits for year 4 | 1,292 | 1,083 |
| Expected benefits for year 5 | 1,281 | 1,082 |
| Expected benefits for year 6 | 1,230 | 1,089 |
| Expected benefits for year 7 | 1,136 | 1,082 |
| Expected benefits for year 8 | 1,075 | 1,004 |
| Expected benefits for year 9 | 1,128 | 931 |
| Expected benefits for year 10 and above | 11,445 | 1,184 |

The weighted average duration to the payment of these cash flows is 7.45 years (31 March 2020: 8.03 years)

**iii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation in percentage terms as shown below:

| | **31 March 2021** | | **31 March 2020** | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.5% movement) | -3.61% | 3.85% | -3.88% | 4.15% |
| Salary escalation rate (0.5% movement) | 3.78% | -3.59% | 4.07% | -3.85% |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**iv. Risk Exposure**

Through its defined benefit plan, the Company is exposed to a number of risks. The most significant risks are:

(i) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Fund return risk : Lower the return on fund, higher the expected shortfall.

(iii) Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

(iv) Demographic risk : This is the risk of variability of results due to factors like mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and attrition rate.

**Other defined benefit plans:**

Present value of other defined benefits (i.e compensated absences) obligations at the end of the year

| | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Compensated absences | 5,160 | 5,958 |

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## 2.40 Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

| 31 March 2021 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| ***Financial assets*** | | | | | | | | |
| Investments (non-current)* | - | - | 1,227 | 1,227 | - | - | - | - |
| Loans receivables (non-current) | - | - | 402 | 402 | - | - | - | - |
| Other financial assets (non-current) | - | - | 1,436 | 1,436 | - | - | - | - |
| Trade receivables | - | - | 108,324 | 108,324 | - | - | - | - |
| Cash and cash equivalents | - | - | 41,698 | 41,698 | - | - | - | - |
| Loans receivables (current) | - | - | 134,119 | 134,119 | - | - | - | - |
| Other financial assets (current) | - | - | 2,538 | 2,538 | - | - | - | - |
| | - | - | **289,744** | **289,744** | - | - | - | - |
| ***Financial liabilities*** | | | | | | | | |
| Lease Liabilities (non-current) | - | - | 6,933 | 6,933 | | | | |
| Other financial liabilities (non-current) | - | - | 93 | 93 | | | | |
| Lease Liabilities (current) | - | - | 2,448 | 2,448 | - | - | - | - |
| Trade payables | - | - | 122,750 | 122,750 | - | - | - | - |
| Other financial liabilities (current) | - | - | 12,562 | 12,562 | - | - | - | - |
| | - | - | **144,786** | **144,786** | - | - | - | - |

| 31 March 2020 | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|---|---|
| ***Financial assets*** | | | | | | | | |
| Investments (non-current) | - | - | 11 | 11 | - | - | - | - |
| Loans receivables (non-current) | - | - | 423 | 423 | - | - | - | - |
| Other financial assets (non-current) | - | - | 1,400 | 1,400 | - | - | - | - |
| Trade receivables | - | - | 109,344 | 109,344 | - | - | - | - |
| Cash and cash equivalents | - | - | 26,524 | 26,524 | - | - | - | - |
| Loans receivables (current) | - | - | 147,976 | 147,976 | - | - | - | - |
| Other financial assets (current) | - | - | 1,916 | 1,916 | - | - | - | - |
| | - | - | **287,594** | **287,594** | - | - | - | - |
| ***Financial liabilities*** | | | | | | | | |
| Lease Liabilities (non-current) | - | - | 7,056 | 7,056 | | | | |
| Other financial liabilities (non-current) | - | - | 93 | 93 | | | | |
| Lease Liabilities (current) | - | - | 2,266 | 2,266 | - | - | - | - |
| Trade payables | - | - | 125,620 | 125,620 | - | - | - | - |
| Other financial liabilities (current) | - | - | 11,763 | 11,763 | - | - | - | - |
| | - | - | **146,798** | **146,798** | - | - | - | - |

The Company has not disclosed the fair values for Loans receivables, other financial assets, trade receivables, cash and cash equivalents, borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

*Investment in Wipro Ge Medical Device Manufacturing Private Limited as at 31 March 2021 is INR 10,000 rounded off to nearest lacs.

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**2.40 Financial instruments - Fair values and risk management (continued)**

**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk;
- Market risk

**i. Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal auditor. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.
The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 1,08,324 lacs (31 March 2020: INR 1,09,344 lacs)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

INR in lacs

| Particulars | Collective impairments |
|---|---|
| **Balance as at 1 April 2019** | 3,705 |
| Impairment loss recognised | 275 |
| Amounts written off | - |
| **Balance as at 31 March 2020** | **3,980** |
| Impairment loss recognised | 1,818 |
| Amounts written off | - |
| **Balance as at 31 March 2021** | **5,798** |

**Loans receivables**

The Company has performed assessment of credit risk arising from cash pool balances and basis the assessment perceives minimal credit risk on cashpool balances.

**Cash and cash equivalents**

The Company held cash and cash equivalents of INR 41,698 lacs (31 March 2020: INR 26,524 lacs). The cash and cash equivalents of the Company are held with banks, as per corporate mandate. The Company considers that its cash and cash equivalents have limited credit risk as we generally invest in deposits with banks.

**Other financial assets**

The Company has performed the credit risk assessment for other financial assets and has created allowance for doubtful other financial assets (refer note 2.6, 2.14)

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## 2.40 Financial instruments - Fair values and risk management (continued)

### iii. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings except for exposure towards lease liabilities. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

INR in lacs

| 31 March 2021 | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Trade payables | 122,750 | 122,750 | 122,750 | - | - | - | - |
| Other Financial Liabilities | 12,655 | 12,655 | 12,562 | - | - | - | 93 |
| Lease Liabilities | 9,381 | 11,533 | 1,674 | 1,565 | 2,288 | 5,302 | 704 |

INR in lacs

| 31 March 2020 | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Trade payables | 125,620 | 125,620 | 125,620 | - | - | - | - |
| Other Financial Liabilities | 11,856 | 11,856 | 11,763 | - | - | - | 93 |
| Lease Liabilities | 9,322 | 11,590 | 1,577 | 1,482 | 2,732 | 4,630 | 1,170 |

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**2.40 Financial instruments - Fair values and risk management (continued)**

**iv. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

**a. Currency risk**

The Company is exposed to currency risk on account of payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses foreign exchange forward contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 are as below:

INR in lacs

| Particulars | 31 March 2021 USD | 31 March 2021 EURO | 31 March 2021 GBP | 31 March 2021 JPY | 31 March 2021 Others* |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Cash and cash equivalents | 36,299 | 712 | - | 250 | 1 |
| Trade receivables | 38,627 | 2,164 | - | 513 | 283 |
| **Gross exposure to foreign currency risk(assets)** | **74,926** | **2,876** | **-** | **763** | **284** |
| **Financial liabilities** | | | | | |
| Trade payables | 49,629 | 1,060 | 320 | 2,294 | 97 |
| **Gross exposure to foreign currency risk(Liabilities)** | **49,629** | **1,060** | **320** | **2,294** | **97** |
| **Net exposure to foreign currency risk - Asset/(Liabilities)** | **25,297** | **1,816** | **(320)** | **(1,531)** | **187** |

INR in lacs

| Particulars | 31 March 2020 USD | 31 March 2020 EURO | 31 March 2020 GBP | 31 March 2020 JPY | 31 March 2020 Others* |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Cash and cash equivalents | 21,229 | 183 | - | 218 | 43 |
| Trade receivables | 40,653 | 3,881 | - | 212 | 183 |
| **Gross exposure to foreign currency risk(assets)** | **61,882** | **4,064** | **-** | **430** | **226** |
| **Financial liabilities** | | | | | |
| Trade payables | 52,610 | 693 | 231 | 1,906 | 1,488 |
| **Gross exposure to foreign currency risk(Liabilities)** | **52,610** | **693** | **231** | **1,906** | **1,488** |
| **Net exposure to foreign currency risk - Asset/(Liabilities)** | **9,272** | **3,371** | **(231)** | **(1,476)** | **(1,262)** |

*Other currencies include Brazilian real(BRL), Bangladeshi taka(BDT), Srilankan rupee(LKR), Nepalese rupee(NPR), Saudi riyal(SAR), Swedish krona(SEK), Swiss Franc(CHF), Hungarian Forint (HUF) Australian Dollar (AUD), Renminbi (CNY) and Singapore dollar (SGD)

**Sensitivity analysis**

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

**31 March 2021**

| Effect in INR | Impact on profit or loss | | Impact on other equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **1% movement** | | | | |
| USD | 253 | (253) | 189 | (189) |
| EUR | 18 | (18) | 14 | (14) |
| JPY | (15) | 15 | (11) | 11 |
| GBP | (3) | 3 | (2) | 2 |

**31 March 2020**

| Effect in INR | Impact on profit or loss | | Impact on other equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **1% movement** | | | | |
| USD | 93 | (93) | 69 | (69) |
| EUR | 34 | (34) | 25 | (25) |
| JPY | (15) | 15 | (11) | 11 |
| GBP | (2) | 2 | (2) | 2 |

**Derivative financial instruments**

The following table gives details in respect of outstanding foreign exchange forward contracts

USD in Lacs

| Particulars | 31 March 2021 USD | 31 March 2020 USD |
|---|---|---|
| Foreign exchange forward contracts with maturity dates less than one year | 200 | 246 |

The Company based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

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## 2.40 Financial instruments - Fair values and risk management (continued)

### b. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 | Remarks |
|---|---|---|---|
| **Fixed-rate instruments** | | | |
| Financial assets - Other financial assets (Non- current) | 46 | 43 | Pertains to Deposits |
| | 46 | 43 | |
| **Variable-rate instruments** | | | |
| Financial assets - Loans receivables (current) | 134,095 | 147,951 | Pertains to cash pool balance "Financial assets - Loans receivables (current) |
| | 134,095 | 147,951 | |
| **Total** | **134,141** | **147,994** | |

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | Profit or loss | | Equity, net of tax | |
|---|---|---|---|---|
| **Effect in INR lacs** | **100 bp increase** | **100 bp decrease** | **100 bp increase** | **100 bp decrease** |
| **31 March 2021** | | | | |
| Variable-rate instruments | 1,362 | (1,362) | 1,019 | (1,019) |
| **Cash flow sensitivity (net)** | 1,362 | (1,362) | 1,019 | (1,019) |
| **31 March 2020** | | | | |
| Variable-rate instruments | 1,403 | (1,403) | 1,050 | (1,050) |
| **Cash flow sensitivity (net)** | 1,403 | (1,403) | 1,050 | (1,050) |

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### 2.41 Employee stock compensation

The Company has not issued any shares / stock options on its shares. The ultimate holding company has issued restricted stock units (RSU) and stock options on its own shares to specified employees of the Company. The cost of restricted stock units and stock options has been charged to the Company based on the fair value on the grant date. Accordingly, the Company measures and discloses the compensation costs relating to RSU and stock options using the fair value of such RSU and stock options as at grant date. The compensation cost is amortized over the vesting period of the stock option/restricted units on a graded vesting method.

The exercise price of these stock options approximates the fair market value of the underlying equity shares on the date of grant. These options have a vesting period ranging from 1 to 5 years.

| Particulars | Year ended 31 March 2021 | | Year ended 31 March 2020 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Options outstanding at the beginning of the year | 895,106 | USD 15.90 | 799,618 | USD 17.67 |
| Options granted during the year | 33,951 | USD 10.15 | 191,782 | USD 10.67 |
| Options exercised during the year | (791) | USD 10.19 | - | - |
| Options lapsed/ forfeited during the year | (516,971) | USD 12.63 | (96,294) | USD 17.10 |
| Options outstanding at the end of the year | 411,295 | USD 18.96 | 895,106 | USD 15.90 |

Options exercisable 314,577 units (31 March 2020 455,869 units)

Cost for the year is INR 11 lacs (31 March 2020: INR 226 lacs).

The exercise price of these stock options approximates the fair market value of the underlying equity shares on the date of grant. These options have a vesting period ranging from 1 to 5 years.

The fair value of options and inputs used in the measurement of the grant-date fair values of the equity-settled share base payments plans are as follows:

| Particular | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Exercise option price | USD 3.58 | USD 3.48 |
| Expected volatility (weighted average volatility) | 36.00% | 32.00% |
| Expected life (weighted average life) | 6.1 years | 6 years |
| Expected dividends | 0.40% | 0.40% |
| Risk-free interest rate | 1.00% | 2.50% |

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of options have been translated to Rupees at the year end closing rate.

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**2.41 Employee stock compensation (continued)**

**a) Restricted stock units (RSU)**

RSU of parent entitles the holder to receive one share of the parent on fulfillment of the vesting conditions.

(in units)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Options outstanding at the beginning of the year | 146,701 | 104,688 |
| Granted during the year | 259,751 | 101,845 |
| Exercised during the year | (36,339) | (34,406) |
| Forfeited/lapsed during the year | (63,388) | (25,426) |
| Outstanding at the end of the year | 306,725 | 146,701 |

Cost for the year is INR 51 lacs (31 March 2020: INR 11 lacs).

As per the plan, 3 options are equivalent to 1 RSU. The exercise price of these restricted stocks is Nil. These restricted stocks have a vesting period varying from 1 to 5 years.

The fair value of options and inputs used in the measurement of the grant-date fair values of the equity-settled share base payments plans are as follows:

| Particular | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Exercise option price | USD 7.91 | USD 10.12 |
| Expected volatility (weighted average volatility) | 36.00% | 32.00% |
| Expected life (weighted average life) | 6.1 years | 6 years |
| Expected dividends | 0.40% | 0.40% |
| Risk-free interest rate | 1.00% | 2.50% |

The aggregate amount of carrying amount of liability with respect to ESOP and RSU as at 31 March 2021 is INR 1,842 lacs (31 March 2020: INR 2,517 lacs).

**b) Employee share purchase plan**

Under the globally designed employee share purchase plan, the Company's permanent employees are entitled to exercise opportunity to build a stake in GE. The plan allows an employee to invest up-to a maximum of 25% of his/her monthly salary (eligible for provident fund) in GE shares listed in the USA. The Company makes a matching contribution of 15% on every purchase made by the employee. All shares are bought at market price on the transaction date. The contribution of 15% amounting to INR 71 lacs (31 March 2020: INR 73 lacs) made by the Company during the financial year has been charged to the statement of profit and loss as personnel expenses and remitted to another group company which manages purchase of shares under this scheme.

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**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.42 Related parties**

**(a) Details of related parties**

| Nature of relationship | Name of related parties |
|---|---|
| Holding and Ultimate Holding Company/Parent | General Electric Company, USA |
| Subsidiaries | GE Healthcare Bangladesh Limited (formerly known as GE Medical Systems Limited, Bangladesh)<br>General Electric Healthcare Lanka (Private) Limited<br>Wipro GE Medical Device Manufacturing Private Limited (With Effect From 1 March 2021) |
| Enterprise having substantial interest in the Company | Wipro Enterprises Private Limited, India (holding 49% of the shares of the Company) |
| Fellow subsidiaries | Ambassador Medical Inc<br>Beijing GE Hualun Medical Equipment Company Limited<br>Datex-Ohmeda, Inc.<br>Dresser Valve India Private Limited<br>GE Precision Healthcare LLC<br>GE BE Private Limited<br>GE HEALTHCARE BIO-SCIENCES CORP.<br>GE Digital LLC<br>GE East Africa Services Limited<br>Ge El Seif Medical Services<br>GE Hangwei Medical Systems Co., Ltd.<br>GE Healthcare (Tianjin) Co., Ltd.<br>GE Healthcare Algerie Sarl<br>GE HEALTHCARE LTD<br>GE Healthcare AS<br>GE Healthcare Australia Pty Limited<br>GE Healthcare Austria GmbH & Co OG<br>GE Healthcare B.V.<br>GE Healthcare Bio-Sciences AB<br>GE Healthcare Bio-Sciences Corp.<br>GE Healthcare Bio-Sciences Limited<br>GE Healthcare do Brasil Comercio e Servicos para Equipamentos Medico-Hospitalares LtdA.<br>GE Healthcare Finland Oy<br>GE MEDICAL SYSTEMS LIMITED<br>GE Healthcare FZE<br>GE Healthcare Global Parts Company, Inc.<br>GE Healthcare GmbH<br>GE Healthcare IITS USA Corp.<br>GE Healthcare Information Technologies GmbH & Co. KG<br>GE Healthcare Ireland<br>GE Healthcare Japan Corporation<br>GE Healthcare Korea<br>GE Healthcare Limited<br>GE Healthcare Kenya Limited<br>GE Healthcare Structured Projects (UK) Limited<br>GE Healthcare Norge AS<br>GE Healthcare Pte Ltd<br>GE Healthcare Sdn Bhd<br>GE Healthcare Sverige AB<br>GE India Exports Private Limited<br>General Electric International Operations Company, Inc<br>GE India Industrial Private Limited<br>GE India Technology Centre Private Limited<br>GE International Operations (NIG) Limited<br>Monogram Licensing International Inc.<br>GE Medical Systems (China) Co., Ltd.<br>GE Medical Systems (Thailand) Ltd. |

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**WIPRO GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.42 Related parties (continued)**

| Nature of relationship | Name of related parties |
|---|---|
| Fellow subsidiaries | GE Medical Systems Egypt LLC |
| | GE Medical Systems Global Technology Company, LLC |
| | GE Medical Systems Hong Kong Limited |
| | GE Medical Systems Information Technologies GmbH |
| | GE Medical Systems Information Technologies, Inc. |
| | GE Medical Systems Israel Ltd |
| | GE Medical Systems Italia SpA |
| | GE Medical Systems Polska Sp. Z.O.O. |
| | GE Medical Systems Societe en Commandite Simple |
| | GE Medical Systems Taiwan Limited |
| | GE Medical Systems Trade and Development (Shanghai) Co., Ltd. |
| | GE Medical Systems Turkiye Limited Sirketi |
| | GE Medical Systems, Ultrasound & Primary Care Diagnostics LLC |
| | GE OEC Medical Systems GmbH |
| | GE Healthcare Trade and Development LLC |
| | Ge Healthcare Global Private Limited (Erstwhile Datex-Ohmeda (India) Private Limited) |
| | GE Parallel Design Inc. |
| | GE Sensing & Inspection Technologies GmbH |
| | GE Sistemas Medicos de Mexico, SA de CV |
| | GE Ultrasound Korea Limited |
| | PT GE OPERATIONS INDONESIA |
| | GE Vietnam Limited |
| | GE Vingmed Ultrasound A/S |
| | GEMS PET Systems AB |
| | General Electric Healthcare Arabia Company Limited |
| | General Electric International (Benelux) BV |
| | General Electric International, Inc. |
| | General Electric Philippines, Inc. |
| | GE (CHINA) CO., LTD. |
| | GE AIRCRAFT ENGINES |
| | GE Capital Europe Limited |
| | GE China Wuxi Medical Systems Co. LTD |
| | GE Digital Holdings LLC |
| | GE Healthcare Limited New Zealand |
| | GE Healthcare Limited United Kingdom |
| | Ge Healthcare Magyarország Kft. |
| | GE INDUSTRIAL FINANCE UK LIMITED |
| | GE MEDICAL SYSTEMS KOREA |
| | GE MEDICAL SYSTEMS SA |
| | Ge Medical Systems Scs |
| | GE OIL & GAS INDIA PRIVATE LIMITED |
| | GE OIL & GAS, LLC |
| | GE PACIFIC PTE LTD |
| | Ge Vingmed Ultrasound Norway |
| | GEMS IT |
| | General Electric Medical Services Company |
| | Global Life Sciences Solutions Singapore Pte. Ltd. |
| | GE HEALTHCARE COLOMBIA SAS |
| | General Electric South Africa (Pty) Ltd |
| | OEC Medical Systems, Inc. |
| | Parallel Design SAS |
| | GE T&D India Limited |
| | PT GE Technology Indonesia |
| | Schleifring Medical Systems, LLC |
| | GENERAL ELECTRIC SOUTH AFRICA (PROPRIETARY) LTD. |
| | USA Instruments, Inc |
| | Ge Healthcare Espana S.A |
| | Ge Oec Medical Systems |
| | Ge Power Conversion India Private Limited |
| | Ge Power India Limited |
| | General Elektrik Ticaret Ve Servis A.S. |
| | Hyclone Life Sciences Solutions India Private Limited (01 October 2019 to 30 March 2020) |
| Post employment benefit plan entity | Wipro GE Medical Systems Employees Provident Fund Trust |
| Associate | Genworks Health Private Limited |
| Company in which directors are interested | Wipro Limited |
| | Cimplyfive Corporate Secretarial Services Private Limited |
| Key Managerial Personnel (KMP) | Nalinikanth Gollagunta, Managing Director (till 16 November 2020) |
| | Dr. Shravan Subramanyam, Managing Director (from 17 November 2020) |
| | Mr. Rahul Cordeiro, Chief Financial Officer (from 2 March 2021) |
| | Mr. Manjunath Hegde, Company Secretary (from 2 March 2021) |

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**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.42 Related parties (continued)**

**b) The following is the summary of significant transactions with related parties:**

| **Transactions** | **For the year ended 31 March 2021** | | **For the year ended 31 March 2020** | |
|---|---|---|---|---|
| **Sale of manufactured goods- fellow subsidiaries** | | **93,657** | | **97,045** |
| GE Precision Healthcare LLC | 19,740 | | 25,653 | |
| GE Healthcare (Tianjin) Co., Ltd. | 12,248 | | 12,349 | |
| GE Healthcare Global Parts Company, Inc. | 12,774 | | 12,115 | |
| GE Medical Systems Information Technologies, Inc. | 7,488 | | 8,218 | |
| Others | 41,407 | | 38,710 | |
| **Sale of traded goods- subsidiary** | | **1,140** | | **797** |
| GE Healthcare Bangladesh Limited | 1,140 | | 797 | |
| **Sale of traded goods- fellow subsidiaries** | | **11,039** | | **10,908** |
| GE Healthcare Global Parts Company, Inc. | 9,668 | | 9,448 | |
| GE Precision Healthcare LLC | 440 | | 653 | |
| Others | 931 | | 807 | |
| **Sale of traded goods- Associate** | | **10,532** | | **6,728** |
| Genworks Health Private Limited | 10,532 | | 6,728 | |
| **Sale of traded goods- company in which directors are interested** | | **37** | | **-** |
| WIPRO LIMITED | 37 | | - | |
| **Sale of traded goods- Enterprise having substantial interest in the Company** | | **75** | - | |
| WIPRO ENTERPRISES PRIVATE LIMITED | 75 | | | - |
| **Software revenue- fellow subsidiaries** | | **100,030** | | **110,056** |
| GE Healthcare Bio-sciences AB | - | | 2,876 | |
| GE Precision Healthcare LLC | 100,019 | | 107,099 | |
| Others | 11 | | 81 | |
| **Commission on sales- fellow subsidiaries** | | **252** | | **4,335** |
| GE Healthcare Pte Ltd | - | | 4,335 | |
| GE Healthcare Ireland | 252 | | - | |
| **Service Fee (Miscelleneous Income) - fellow subsidiary** | | **-** | | **702** |
| Hyclone Life Sciences Solutions India Private Limited | - | | 702 | |
| **Purchase of goods and consumables - fellow subsidiaries** | | **162,476** | | **192,351** |
| GE Precision Healthcare LLC* | 23,892 | | 33,299 | |
| GE Healthcare AS | 23,750 | | 30,942 | |
| GE Healthcare Global Parts Company, Inc. | 15,881 | | 19,562 | |
| GE Medical Systems (China) Co., Ltd. | 14,817 | | 11,094 | |
| GE Hangwei Medical Systems Co., Ltd. | 14,938 | | 12,983 | |
| Others | 69,198 | | 84,470 | |
| **Expenses reimbursed- to parent**** | | **595** | | **1,456** |
| General Electric Company, USA | 595 | | 1,456 | |
| **Facility Maintenance charges (Repairs and Maintenance) - to fellow subsidiaries** | | **7,934** | | **7,796** |
| GE India Industrial Private Limited | 6,653 | | 4,462 | |
| GE India Technology Centre Private Limited | 1,281 | | 3,334 | |
| **Expenses reimbursed- to fellow subsidiaries**** | | **3,902** | | **7,514** |
| GE India Industrial Private Limited | 2,393 | | 4,377 | |
| GE PRECISION HEALTHCARE LLC | 892 | | 1,251 | |
| Others | 617 | | 1,886 | |
| **Expenses reimbursed- by subsidiary** | | **1** | | **216** |
| GENERAL ELECTRIC HEALTHCARE LANKA (PRIVATE) LIMITED | - | | 216 | |
| Wipro GE Medical Device Manufacturing Private Limited | 1 | | - | |
| **Expenses reimbursed- by Parent** | | **-** | | **60** |
| General Electric Company, USA | - | | 60 | |
| **Expenses reimbursed- by fellow subsidiaries** | | **2,272** | | **2,593** |
| GE PRECISION HEALTHCARE LLC | 1,789 | | 1,444 | |
| GE HEALTHCARE BIO-SCIENCES CORP. | - | | 373 | |
| GE India Industrial Private Limited | - | | 120 | |
| GE Healthcare FZE | 88 | | 76 | |
| Others | 395 | | 580 | |
| **Buy-back of equity shares - Parent** | | **18,458** | | **-** |
| General Electric Company, USA | 18,458 | | - | |
| **Buy-back of equity shares - Enterprise having substantial interest in the** | | **17,734** | | **-** |
| Wipro Enterprises Private Limited | 17,734 | | - | |
| **Purchase of fixed assets- fellow subsidiaries** | | **413** | | **529** |
| GE PRECISION HEALTHCARE LLC | 175 | | 293 | |
| GE Healthcare PTE Ltd | 58 | | 129 | |
| GE HEALTHCARE BIO-SCIENCES AB | - | | 67 | |
| GE Medical Systems Societe en Commandite Simple | 112 | | - | |
| GE India Industrial Private Limited | - | | - | |
| Others | 68 | | 40 | |

* Purchases for the previous year is net of consideration towards marketing support of INR 4,300 lacs

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**WIPRO GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.42 Related parties (continued)**

**b) The following is the summary of significant transactions with related parties (continued):**

| Transactions | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **Sale of fixed assets- fellow subsidiaries** | | **643** | | **-** |
| GE INDIA INDUSTRIAL PVT. LTD | 9 | | - | |
| GE MEDICAL SYSTEMS ISRAEL LTD | 191 | | - | |
| GE Medical Systems Societe en Commandite Simple | 443 | | - | |
| **Purchase of Investment (Equity shares) - Wipro GE Medical Device Manufacturing Private Limited (Subsidiary)** | | - | | - |
| GE Precision Healthcare LLC ## | - | | - | |
| Wipro Enterprises Private Limited ## | - | | - | |
| **Service charges (included in raw material consumption)- subsidiary** | | **2,347** | | **2,226** |
| GENERAL ELECTRIC HEALTHCARE LANKA (PRIVATE) LIMITED | 438 | | | |
| GE Healthcare Bangladesh Limited | 1,909 | | 2,226 | |
| **Loan received back- fellow subsidiary** | | **-** | | **91** |
| Ge Healthcare Global Private Limited (Erstwhile Datex-Ohmeda (India) Private Limited) | - | | 91 | |
| **Advance received back- subsidiary** | | **161** | | **-** |
| GE Healthcare Bangladesh Limited | 161 | | | |
| **Interest received on inter corporate deposits and cash pool- fellow subsidiaries** | | **6,027** | | **8,432** |
| GE India Industrial Private Limited | 6,027 | | 8,432 | |
| **Rental Expense- to fellow subsidiaries #** | | **2,011** | | **1,353** |
| GE India Technology Centre Private Limited | 275 | | 663 | |
| GE INDIA INDUSTRIAL PVT. LTD. | 1,736 | | 690 | |
| **Royalty- fellow subsidiaries** | | **3,611** | | **2,414** |
| GE Medical Systems Global Technology Company, LLC | 2,303 | | 1,042 | |
| General Electric Company, USA | 1,308 | | 1,372 | |
| **Royalty- Enterprise having substantial interest in the Company** | | **1,308** | | **1,399** |
| Wipro Enterprises Private Limited | 1,308 | | 1,399 | |
| **Other expenses- Enterprise having substantial interest in the Company** | | **-** | | **62** |
| Wipro Enterprises Private Limited | - | | 62 | |
| **Legal and professional fees - parent** | | **3** | | **18** |
| General Electric Company, USA | 3 | | 18 | |
| **Legal and professional fees - fellow subsidiaries** | | **1,779** | | **849** |
| GE India Industrial Private Limited | 1,086 | | 789 | |
| GE PRECISION HEALTHCARE LLC | 341 | | (176) | |
| Others | 352 | | 236 | |
| **Legal and professional fees - company in which directors are interested** | | **282** | | **367** |
| Wipro Limited | 281 | | 367 | |
| Cimplyfive Corporate Secretarial Services Private Limited | 1 | | - | |
| **Other expenses - to subsidiary** | | **-** | | **266** |
| GENERAL ELECTRIC HEALTHCARE LANKA (PRIVATE) LIMITED | - | | 266 | |
| **Other expenses - to company in which directors are interested** | | **3** | | **31** |
| Wipro Limited | 3 | | 31 | |
| **Sales commission expense - Associate** | | **1,807** | | **2,395** |
| Genworks Health Private Limited | 1,807 | | 2,395 | |
| **Post employment benefit plan entity** | | **3,497** | | **3,633** |
| Wipro GE Medical Systems Employees Provident Fund Trust | 3,497 | | 3,633 | |
| **Managerial remuneration*** | | **540** | | **336** |
| *Dr. Shravan Subramanyam, Managing Director (from 17 November 2020)* | | | | |
| Short Term Employee Benefits | 379 | | - | |
| Post Employment Benefits | 6 | | - | |
| *Nalinikanth Gollagunta, Managing Director (till 16 November 2020)* | | | | |
| Short Term Employee Benefits | 138 | | 326 | |
| Post Employment Benefits | 6 | | 10 | |
| *Mr. Rahul Cordeiro, Chief Financial Officer**** | | | | |
| Short Term Employee Benefits | 10 | | - | |
| Post Employment Benefits | 0 | | - | |
| *Mr. Manjunath Hegde, Company Secretary**** | | | | |
| Short Term Employee Benefits | 2 | | - | |
| Post Employment Benefits | - | | - | |

* Managerial remuneration does not include cost of retirement benefits such as gratuity and compensated absences since provisions for the same are based on an actuarial valuation carried out for the company as a whole.

** Expenses reimbursed to party consist of legal and professional, travel, rent, advertisement, communication expense etc incurred by other party and cross charged to the company.

*** Appointed as Key Manageriel Personnel as per Companies Act, 2013 with effect from 02 March 2021. The remuneration from that date is disclosed accordingly.

\# Includes rent paid on arrangements classified as lease

\## The Company purchase 510 shared of Wipro GE Medical Device Manufacturing Private Limited amounting to INR 5,100 from GE Precision Healthcare LLC and 490 shared of Wipro GE Medical Device Manufacturing Private Limited amounting to INR 4,900 from Wipro Enterprises Private Limited on 01 March 2021 and 25 February 2021 respectively. This is rounded to nearest lacs.

**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.42 Related parties (continued)**

**c) The balances receivable from and payable to related parties are as follows:**

| Balances | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **Trade receivables- subsidiary** | | **2,915** | | **2,180** |
| GE Healthcare Bangladesh Limited | 2,915 | | 1,890 | |
| General Electric Healthcare Lanka (Private) Limited | - | | 290 | |
| **Trade receivables- fellow subsidiaries** | | **26,263** | | **27,213** |
| GE Precision Healthcare LLC | 5,996 | | 9,241 | |
| GE Healthcare Global Parts Company, Inc. | 4,904 | | 4,261 | |
| GE Healthcare (Tianjin) Co. Ltd. | 3,358 | | 2,955 | |
| GE Healthcare Austria GmbH & Co OG | 745 | | 2,545 | |
| GE Hangwei Medical Systems Co. Ltd. | 2,077 | | 1,156 | |
| Other | 9,183 | | 7,055 | |
| **Trade receivables- Associate** | | **3,911** | | **1,903** |
| Genworks Health Private Limited | 3,911 | | 1,903 | |
| **Trade receivables- company in which directors are interested** | | **-** | | **47** |
| WIPRO LIMITED | - | | 47 | |
| **Trade receivables- Enterprise having substantial interest in the Company** | | **4** | | **-** |
| WIPRO ENTERPRISES PRIVATE LIMITED | 4 | | - | |
| **Trade payables- parent** | | **128** | | **766** |
| General Electric Company, USA | 128 | | 766 | |
| **Trade payables- subsidiary** | | **580** | | **1,760** |
| GE Healthcare Bangladesh Limited | 537 | | 1,356 | |
| General Electric Healthcare Lanka (Private) Limited | 43 | | 404 | |
| **Trade payables- company in which directors are interested** | | **102** | | **199** |
| Wipro Limited | 102 | | 199 | |
| **Trade payables- fellow subsidiaries** | | **45,004** | | **58,702** |
| GE Precision Healthcare LLC | 6,175 | | 12,771 | |
| GE Healthcare Trade and Development LLC | 7,072 | | 9,466 | |
| GE Healthcare Global Parts Company, Inc. | 5,760 | | 8,750 | |
| GE Healthcare AS | 5,331 | | 3,744 | |
| GE Medical Systems Societe en Commandite Simple | 4,056 | | 3,564 | |
| GE Ultrasound Korea Limited | 59 | | 243 | |
| Others | 16,551 | | 20,164 | |
| **Trade payables - Associate** | | **122** | | **56** |
| Genworks Health Private Limited | 122 | | 56 | |
| **Financial assets - Other financial assets -subsidiary** | | **429** | | **590** |
| GE Healthcare Bangladesh Limited<br>Provision for doubtful advance as at 31 March 2021 is INR 429 lacs (31 March 2020 : INR 429 lacs) | 429 | | 590 | |
| **Financial assets - Other financial assets (current) - fellow subsidiary** | | **74** | | **74** |
| GE HEALTHCARE GLOBAL PRIVATE LIMITED | 74 | | 74 | |
| **Financial assets- Investments- subsidiary** | | **1,227** | | **1,227** |
| GE Healthcare Bangladesh Limited | 1,216 | | 1,216 | |
| General Electric Healthcare Lanka (Private) Limited | 11 | | 11 | |
| Wipro GE Medical Device Manufacturing Private Limited | 0 | | 0 | |

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**WIPRO GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.42 Related parties (continued)**

**c) The balances receivable from and payable to related parties are as follows (continued):**

| Balances | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **Financial assets- Investments- Associate** | | **78** | | **78** |
| Genworks Health Private Limited | 78 | | 78 | |
| **Other current assets (supplier advances)- Associate** | | **-** | | **1,430** |
| Genworks Health Private Limited | - | | 1,430 | |
| **Financial Assets - Loans receivables (rental deposits) - fellow subsidiary** | | **302** | | **302** |
| GE India Technology Centre Private Limited | 302 | | 302 | |
| **Financial assets- Loans receivables current(cash pool balance)- fellow** | | **134,095** | | **147,951** |
| GE India Industrial Private Limited | 134,095 | | 147,951 | |
| **Financial liabilities (accrued expense- royalty) - fellow subsidiary** | | **2,052** | | **-** |
| GE Medical Systems Global Technology Company, LLC | 2,052 | | - | |
| **Financial liabilities (accrued expense- royalty) - Enterprise having substantial interest in the Company** | | **1,178** | | **1,235** |
| Wipro Enterprises Private Limited | 1,178 | | 1,235 | |
| **Financial liabilities (accrued expense- royalty) - Parent** | | **1,165** | | **1,222** |
| General Electric Company, USA | 1,165 | | 1,222 | |
| **Financial liabilities (accrued expense- others) - fellow subsidiary** | | **97** | | **110** |
| GE Medical Systems Information Technologies, Inc. | 97 | | 110 | |
| **Financial liabilities (Sales commission) - Associate** | | **2,219** | | **2,445** |
| Genworks Health Private Limited | 2,219 | | 2,445 | |
| **Other current liabilities (Advance from customers) - Associate** | | **53** | | **-** |
| Genworks Health Private Limited | 53 | | - | |
| **Unbilled revenue - Subsidiary** | | **1** | | **-** |
| Wipro GE Medical Device Manufacturing Private Limited | 1 | | - | |
| **Unbilled revenue - parent** | | **545** | | **423** |
| GE Precision Healthcare LLC | 545 | | 423 | |

**2.43 Government Grant**

The Company is eligible to obtain financial incentive of 25% of capital expenditure incurred on new product introduction, capacity enhancement, new equipment to address technological obsolescence and advanced and improved manufacturing process under Modified Special Incentive Package Scheme (M-SIPS) issued by Ministry of Communications and Information Technology on satisfaction of certain conditions mentioned under the particular scheme. As this grant relates to depreciable assets they are being recognised in the statement of profit and loss over the periods and in the proportions in which depreciation expense on those assets are recognised. (refer note 2.6)

**2.44 Basic and diluted earnings per share**

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of INR 28,304 lacs (31 March 2020: INR 30,145 lacs) and weighted average number of equity shares outstanding of 10,355,913 (31 March 2020: 10,511,423)

**i. Profit attributable to Equity holders:** **INR in lacs**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Profit attributable to equity holders for basic and diluted earnings for the year ended (A) | 28,304 | 30,145 |

**ii. Weighted average number of shares as at 31 March 2021 for basic and diluted earnings per share**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Weighted average number of shares during the year ended (B) | 10,355,913 | 10,511,423 |

**Basic and Diluted earnings per share** **In INR**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Basic and Diluted earnings per share for the year ended (A/B)*100000 | 273.31 | 286.78 |

**2.45 Corporate social responsibility**

**INR in lacs**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| a) Gross amount required to be spent by the Company during the year as per Section 135 of the Act | 775 | 826 |
| (b) Amount spent during the year | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above* | 717 | 778 |

* In addition to amount spent above, the Company has created provision amounting to INR 58.5 lacs (31 March 2020: INR 26) for which it has firm commitment and transfer the said amount to special bank account created for this purpose.

**2.46 Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The capital structure as of 31 March 2021 and 31 March 2020 are as follows:

**INR in lacs**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Total equity attributable to the equity shareholders of the Company | 165,504 | 181,511 |
| **As a percentage of total capital** | **100%** | **100%** |
| Long-term borrowings | - | - |
| **As a percentage of total capital** | **0%** | **0%** |
| **Total capital (Equity and Long-term Borrowings)** | **165,504** | **181,511** |

**2.47** The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. During the Financial Year 2020-21, these factors began having some adverse impact on our operations. We anticipate many of these impacts related to demand, profitability and cash flows will continue in the foreseeable future depending on the severity and duration of the pandemic. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2021-22 financial year.

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**Notes to the standalone financial statements**

**2.48 Demerger of Bio Pharma Division**

The Board of Directors of the Company had approved a Scheme of Arrangement, between Hyclone Life Sciences Solutions India Private Limited (Hyclone), wholly owned subsidiary and the Company and their respective Shareholders, at its meeting held on 13 September 2019 for demerger of the Bio Pharma business division of the Company into Hyclone Life Sciences Solutions India Private Limited.

The Scheme of Arrangement was approved by the Regional Director ('RD'), South East Region, Ministry of Corporate Affairs for the Demerger, with the Appointed Date for the Demerger as 1 October 2019. The certified copy of the order had been filed with Registrar Of Companies, Bangalore on 16 December 2019 (Effective Date)

Further, as the scheme became effective on 16 December 2019, with the appointed date of 1 October 2019, all assets, related goodwill and liabilities of the Bio Pharma business division became assets and liabilities of Hyclone at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date (ie, 1 October 2019). The details of the assets and liabilities transferred to the resultant Company were as follows:

The details of demerged undertaking as per the scheme approved by RD into Hyclone is as follows:-

**INR in lacs**

| **Particulars** | | **As at 1 October 2019** |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment (including Capital Work In Progress) | | 2,366 |
| Intangible Assets | | 26 |
| Right-of- use asset | | 60 |
| Goodwill | | 3,407 |
| Other non-current financial assets | | |
| Earnest money deposits | 178 | |
| Allowance for doubtful receivables and advances | (134) | |
| | 44 | 44 |
| Inventories | | |
| Finished goods and stock-in-trade | | 865 |
| Trade receivables | | 5,015 |
| Other current financial assets | | |
| Supplier advances | 21 | |
| Allowance for doubtful advances | (21) | |
| | - | - |
| Other current financial assets | | |
| Unbilled revenue | | 303 |
| | | **12,086** |
| **Liabilities** | | |
| Financial liabilities - Borrowings (car lease) | | 3 |
| Lease liabilities | | 61 |
| Provisions (non-current) | | |
| Gratuity | | 977 |
| Other non-current liabilities | | |
| Unearned revenue | | 12 |
| Trade payables: | | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,613 |
| Financial liabilities - Other financial liabilities (current) | | |
| Employee related liabilities | | 318 |
| Provisions (current) | | |
| Compensated absences | | 715 |
| Provision for warranties | | 68 |
| Other current liabilities | | |
| Statutory liabilities | | 1 |
| Unearned revenue | | 491 |
| | | **4,259** |
| **Net Assets and liabilities transferred to Capital reserve (refer Statement of Changes in equity)** | | **7,827** |

Note: The excess of assets transferred over liabilities was required to be adjusted to other equity as per scheme of arrangement. Hence, accordingly, the value of Assets transferred in excess of liabilities had been debited to Capital Reserve in other equity.

Guarantees provided by banks on behalf of the Company to the Indian Government, customers and certain other agencies related to Bio Pharma division amounting to INR 559 lacs had been transfered subsequent to year ended 31 March 2020 to Hyclone pursuant to demerger order.

The Bio-pharma business division does not represent a major line of business for the Company. Accordingly, it does not meet the definition of a discontinued operation.

BSR & Associates LLP

Wipro GE Healthcare Pvt. Ltd. BANGALORE

**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

### 2.49 Sale of business units

During the year ended 31 March 2020, the Company had entered into Business Transfer Agreements on 9 July 2019 and 09 October 2019 for disposing all of the assets and liabilities attributable to the Ambulatory Care Management (ACM) and Enterprise Financial Management (EFM) divisions to Athenahealth Technology Private Limited, and Workforce Management (WFM) division to Jedi Software Engineering LLP, on slump sale basis for a lump sum consideration of INR 3,571 lacs and INR 1,620 lacs respectively.

Details of net assets transferred:

**INR in lacs**

| Particulars | ACM and EFM | WFM | Total |
|---|---|---|---|
| **Assets:** | | | |
| Property, plant and equipment (net) | 65 | - | 65 |
| **Total Assets** | **65** | **-** | **65** |
| **Liabilities:** | | | |
| Other current financial liabilities | 791 | 311 | 1,102 |
| **Total Liabilities** | **791** | **311** | **1,102** |
| **Net assets value over liabilities** | **(726)** | **(311)** | **(1,037)** |
| **Fair value of the consideration** | 3,571 | 1,620 | 5,191 |
| **Gain on disposal of business units** | **4,297** | **1,931** | **6,228** |
| **Tax Impact on gain of sale of business** | **972** | **488** | **1,460** |

The consequential tax of INR 1,460 lacs is included in the tax expense of the standalone financial statements for the year ended 31 March 2020.

The above divisions, which are part of software segment, does not represent a major line of business for the Company. Accordingly, it does not meet the definition of a discontinued operation.

BSR & Associates LLP

Wipro GE Healthcare Pvt. Ltd. BANGALORE

**Wipro GE Healthcare Private Limited**
**Notes to the standalone financial statements**

**2.50 Disclosure on Specified Bank Notes(SBNs)**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231 W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for* and on behalf of the Board of Directors of
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
*Managing Director*
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
*Company Secretary*

Place: Bengaluru
Date:29 June 2021

B S R & Associates LLP
Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor,
Off Intermediate Ring Road,
Bangaluru-560 071 India

Telephone: +91 80 4682 3000
Fax: +91 80 4682 3999

# INDEPENDENT AUDITORS' REPORT

## To the Members of Wipro GE Healthcare Private Limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Wipro GE Healthcare Private Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises of Board's Report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibility for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/(loss) and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

VL/

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

We believe that the audit evidence obtained by us, along with the consideration of Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

(a) The financial information of two subsidiaries, whose financial information reflect total assets of INR 8,401 lakhs as at 31 March 2021, total revenues (including other income) of INR 8,273 lakhs and net cash inflows amounting to INR 2,459 lakhs, for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by management, this financial information are not material to the Group.

**(b)** The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of INR Nil lakhs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this associate, and our reports in terms of sub sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial information furnished by the Management.

VL/

**Report on Other Legal and Regulatory Requirements**

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of unaudited financial information of the subsidiaries and an associate as furnished by the management, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and our audit report on the statutory audit of a subsidiary company incorporated in India and written representations received by the management from directors of its associate company incorporated in India, none of the directors of the Holding Company, subsidiary company and its associate is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of unaudited financial statements/financial information of subsidiaries and associate as furnished by the management, as noted in the 'Other Matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 2.34 and 2.36(b) to the consolidated financial statements.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021. Refer Note 2.34 to the consolidated financial statements.

**Report on Other Legal and Regulatory Requirements (continued)**

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, subsidiary company and its associate company incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

The Holding Company, its subsidiary company and its associate incorporated in India are private limited companies under the definition of the Act, hence the provisions of Section 197 (read with Schedule V) to the Act is not applicable to the Holding Company, its subsidiary company and associate company.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806
UDIN: 21076806AAAABA7944

Place: Bengaluru
Date: 29 June 2021

**Wipro GE Healthcare Private Limited**
**Independent Auditor's Report (continued)**

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Wipro GE Healthcare Private Limited for the year ended 31 March 2021**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Wipro GE Healthcare Private Limited (hereinafter referred to as "the Holding Company") incorporated in India under Companies Act, 2013 as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

VK/

**Wipro GE Healthcare Private Limited**
**Independent Auditor's Report (continued)**

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Wipro GE Healthcare Private Limited**
**Independent Auditor's Report (continued)**

**Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806
UDIN: 21076806AAAABA7944

Place: Bengaluru
Date: 29 June 2021

**Wipro GE Healthcare Private Limited**

| Consolidated balance sheet as at | Note | 31 March 2021 | INR in lacs<br>31 March 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2.1 | 24,573 | 24,617 |
| Capital work-in-progress | | 2,509 | 2,438 |
| Right-of- use asset | 2.2 | 9,466 | 9,262 |
| Goodwill | 2.3 | 2,846 | 2,846 |
| Other intangible assets | 2.3 | 323 | 578 |
| Financial assets | | | |
| - Investments | 2.4 | - | - |
| - Loans receivables | 2.5 | 402 | 423 |
| - Other financial assets | 2.6 | 1,436 | 1,400 |
| Deferred tax assets (net) | 2.7 | 4,789 | 4,326 |
| Income tax assets (net) | 2.8(a) | 15,400 | 16,115 |
| Other non-current assets | 2.9 | 2,649 | 3,295 |
| **Total non-current assets** | | **64,393** | **65,300** |
| **Current assets** | | | |
| Inventories | 2.10 | 51,840 | 61,026 |
| Financial assets | | | |
| - Trade receivables | 2.11 | 107,609 | 108,733 |
| - Cash and cash equivalents | 2.12 | 45,992 | 28,358 |
| - Loans receivables | 2.13 | 134,119 | 147,976 |
| - Other financial assets | 2.14 | 2,537 | 1,755 |
| Other current assets | 2.15 | 10,158 | 11,566 |
| **Total current assets** | | **352,255** | **359,414** |
| **Total assets** | | **416,648** | **424,714** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 2.16 | 994 | 1,051 |
| Other equity | | 165,203 | 181,879 |
| **Total equity** | | **166,197** | **182,930** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Lease Liabilities | 2.17 | 7,049 | 7,056 |
| - Other financial liabilities | 2.18 | 93 | 93 |
| Provisions | 2.19 | 4,225 | 3,105 |
| Other non-current liabilities | 2.20 | 30,827 | 27,766 |
| **Total non-current liabilities** | | **42,194** | **38,020** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Lease Liabilities | 2.21 | 2,474 | 2,266 |
| - Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 2.22 | 1,564 | 759 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2.22 | 122,814 | 125,014 |
| - Other financial liabilities | 2.23 | 12,663 | 11,770 |
| Provisions | 2.24 | 12,258 | 12,665 |
| Income tax liabilities (net) | 2.8(b) | 421 | 559 |
| Other current liabilities | 2.25 | 56,062 | 50,731 |
| **Total current liabilities** | | **208,257** | **203,764** |
| **Total equity and liabilities** | | **416,648** | **424,714** |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

**for B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
Director
DIN: 00018711

**Dr. Shravan Subramanyam**
Managing Director
DIN: 00695586

**Rahul Cordeiro**
Chief Financial Officer

**Manjunath Hegde**
Company Secretary

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**

| Consolidated statement of profit and loss for the | Note | Year ended 31 March 2021 | INR in lacs Year ended 31 March 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 2.26 | 511,144 | 536,677 |
| Other income | 2.27 | 7,378 | 15,671 |
| **Total income** | | **518,522** | **552,348** |
| **Expenses** | | | |
| Cost of materials consumed | 2.28 | 99,547 | 94,978 |
| Purchase of stock-in-trade | | 192,337 | 228,422 |
| Changes in inventories of work-in-progress, stock-in-trade and finished goods | 2.29 | 9,747 | (5,875) |
| Employee benefits expense | 2.30 | 87,273 | 90,477 |
| Finance costs | 2.31 | 2,188 | 3,565 |
| Depreciation and amortisation expense | 2.32 | 6,901 | 6,883 |
| Other expenses | 2.33 | 82,873 | 98,472 |
| **Total expenses** | | **480,866** | **516,922** |
| **Profit before tax, share of profit/(loss) of equity accounted investee and exceptional item** | | **37,656** | **35,426** |
| Share of profit/(loss) of equity accounted investee (net of income tax) | | - | - |
| **Profit before tax and exceptional item** | | **37,656** | **35,426** |
| ***Exceptional Item:*** | | | |
| Profit from sale of business units | 2.49 | - | 6,228 |
| **Profit on sale of business units** | | **-** | **6,228** |
| **Profit before income tax** | | **37,656** | **41,654** |
| Current tax | | (10,606) | (10,830) |
| Deferred tax | | 558 | (625) |
| **Tax expense** | 2.7 | **(10,048)** | **(11,455)** |
| **Profit for the year** | | **27,608** | **30,199** |
| **Other comprehensive income/ (expense)** | | | |
| **- (i) Items that will not be reclassified to profit or loss** | | | |
| - Remeasurement of the defined benefit liability/(asset) | | 381 | (820) |
| - Income tax effect | | (95) | 206 |
| **Net other comprehensive income not to be reclassified subsequently to profit or loss** | | **286** | **(614)** |
| **(ii) Items that will be reclassified subsequently to profit or loss** | | | |
| - Exchange differences on translating the financial statements of a foreign operations | | (18) | 14 |
| **Net other comprehensive income to be reclassified subsequently to profit or loss** | | **(18)** | **14** |
| **Other comprehensive income/ (expense) for the year, net of income tax** | | **268** | **(600)** |
| **Total comprehensive income for the year** | | **27,876** | **29,599** |
| **Profit attributable to:** | | | |
| Owners of the Company | | 27,608 | 30,199 |
| Non- controlling interests | | - | - |
| **Other comprehensive income attributable to:** | | | |
| Owners of the Company | | 268 | (600) |
| Non- controlling interests | | - | - |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | 27,876 | 29,599 |
| Non- controlling interests | | - | - |
| **Earnings per equity share** | | | |
| Basic and diluted earnings per share (INR) | 2.44 | 266.59 | 287.30 |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

**for B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
Managing Director
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
Company Secretary

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**
**Statement of changes in equity for the year ended 31 March 2021**

INR in Lacs

| (A) Equity share capital | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Opening balance | 1,051 | 1,051 |
| Changes in equity share capital during the year - buy-back of equity shares (refer note 2.16) | (57) | - |
| **Closing balance** | **994** | **1,051** |

**(B) Other equity**

INR in Lacs

| Particulars | Securities premium | General reserve | Capital reserve | Retained earnings* | Capital redemption reserve | Items of other comprehensive income: Remeasurements of the net defined benefit liability/(asset) | Items of other comprehensive income: Exchange differences on translating the financial statements of a foreign operation | Total other equity |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2019** | **3,249** | **2,066** | **271** | **153,940** | **795** | **(535)** | **321** | **160,107** |
| Profit for the year | - | - | - | 30,199 | - | - | - | 30,199 |
| Other comprehensive income, net of tax | - | - | - | - | - | (614) | 14 | (600) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **30,199** | **-** | **(614)** | **14** | **29,599** |
| Capital reserve on account of demerger (refer note 2.47) | - | - | (7,827) | - | - | - | - | (7,827) |
| **Balance as at 31 March 2020** | **3,249** | **2,066** | **(7,556)** | **184,139** | **795** | **(1,149)** | **335** | **181,879** |
| Profit for the year | - | - | - | 27,608 | - | - | - | 27,608 |
| Other comprehensive income, net of tax | - | - | - | - | - | 286 | (18) | 268 |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **27,608** | **-** | **286** | **(18)** | **27,876** |
| **Transactions directly recorded in equity** | | | | | | | | |
| Transfer from general reserve to capital redemption reserve on account of buy-back of equity shares (Refer note 2.16) | - | (57) | - | - | 57 | - | - | - |
| Buy-back of equity shares (including tax on buy-back on equity shares) (Refer note 2.16) | (3,249) | (2,009) | - | (39,294) | - | - | - | (44,552) |
| **Balance as at 31 March 2021** | **-** | **-** | **(7,556)** | **172,453** | **852** | **(863)** | **317** | **165,203** |

*Opening balance of retained earning includes a debit balance of INR 27,155 lacs of amalgamation adjustment deficit account. (refer note 2.16)

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
*Managing Director*
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
*Company Secretary*

Place: Bengaluru
Date:29 June 2021

**WIPRO GE Healthcare Private Limited**

| Consolidated Statement of cash flows for the | Year ended 31 March 2021 | INR in lacs<br>Year ended 31 March 2020 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit for the year before income tax** | **37,656** | **41,654** |
| Profit from sale of business unit | - | (6,228) |
| Depreciation and amortisation expense | 6,901 | 6,884 |
| Interest income | (6,347) | (8,789) |
| Finance costs | 2,188 | 3,565 |
| Unrealised foreign exchange Loss/ (gain), net | 237 | (2,505) |
| Loss on sale of property, plant and equipment, net | 389 | 208 |
| Employee stock options and restricted stock units | 62 | 237 |
| Provision for doubtful receivables and advances | 3,419 | 323 |
| Provision for litigation no longer required written back | (28) | (999) |
| Provision no longer required (doubtful advances) written back | (9) | (1,298) |
| **Operating profit before working capital changes** | **44,468** | **33,052** |
| Change in trade receivables | (402) | (25,046) |
| Change in inventories | 9,186 | (6,740) |
| Change in financial assets and other assets | (318) | 3,752 |
| Change in trade payables | (1,751) | (4,750) |
| Change in financial liabilities and other liabilities | 9,043 | 11,379 |
| Change in provisions | 1,123 | (1,470) |
| **Cash generated from operating activities** | **61,349** | **10,177** |
| Income tax paid (net) | (10,029) | (12,137) |
| **Net cash generated / (used) from operating activities (A)** | **51,320** | **(1,960)** |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment and other intangible assets (including capital work in progress and capital advances) | (4,748) | (6,222) |
| Proceeds from sale of business unit (refer note 2.48) | - | 5,191 |
| Proceeds from sale of property, plant and equipment | 643 | - |
| Change in current financial assets - (Cash pool balance) | 13,239 | (15,492) |
| Change in Bank deposit (having maturity more than twelve month from reporting date) | 3 | (1) |
| Interest received | 6,965 | 8,920 |
| **Net cash generated / (used) in investing activities (B)** | **16,102** | **(7,604)** |
| **Cash flows from financing activities** | | |
| Buy-back of equity shares (including tax on buy-back on equity shares) | (44,609) | - |
| Repayment of lease obligations | (3,758) | (3,535) |
| Interest paid | (1,260) | (2,543) |
| **Net cash used in financing activities (C)** | **(49,627)** | **(6,078)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | 17,795 | (15,642) |
| Cash and cash equivalents at beginning of the year | 28,102 | 43,125 |
| Exchange difference on translation of foreign currency cash and cash equivalents | (175) | 619 |
| **Cash and cash equivalents at end of year** | **45,722** | **28,102** |
| **Notes to statement of cashflow** | | |
| Book overdraft (refer note 2.23) | (270) | (256) |
| Cash and cash equivalents at end of year (refer note 2.12) | 45,992 | 28,358 |
| **Total** | **45,722** | **28,102** |

| Reconciliation between opening and closing balance sheet for liabilities arising from financing activities | Year ended 31 March 2021 | INR in lacs<br>Year ended 31 March 2020 |
|---|---|---|
| Balance as at the beginning of the year | 9,322 | 9,435 |
| Additions to lease liabilities during the year | 3,167 | 2,400 |
| Deletion of lease liabilities during the year | (137) | - |
| Finance cost accrued during the year | 928 | 1,022 |
| Cash outflow during the year | (3,758) | (3,535) |
| **Total liabilities from financing activities** | **9,522** | **9,322** |

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for and on behalf of the Board of Directors of*
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
Managing Director
DIN: 00695586

**Rahul Cordeiro**
*Chief Financial Officer*

**Manjunath Hegde**
Company Secretary

Place: Bengaluru
Date:29 June 2021

**Wipro GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

## 1.1 Reporting entity

Wipro GE Healthcare Private Limited ('the Company' or 'the Holding Company'), a private limited Company, is a joint venture between General Electric Company, USA ('GE' or 'the parent') and Wipro Enterprises Private Limited ('Wipro').

The Company together with its subsidiaries and an associate (collectively referred to as 'Wipro GE Group' or 'the Group') is focused towards healthcare segment in South Asia. The Group manufactures and trades in medical equipment's. Further, it is also engaged in providing software services and technology solutions to its parent for products manufactured worldwide. The Group is also engaged in the business of trading of medical diagnostic products and imaging agents including contrast media and nuclear medicine cold kits, engineering related services for products manufactured worldwide, renders Information Technology ('IT') and IT enabled services to its group companies. The Holding Company is domiciled in India and has its registered office in Bengaluru, Karnataka, India.

## 1.2 Basis of preparation of financial statements

### A. Statement of compliance and basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, 31 March 2021. The consolidated financial statements were authorised for issue by the Group's Board of Directors on 29 June 2021.

Details of the Group's accounting policies are included in Note 1.3.

### B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise stated.

### C. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis and on an accrual basis, except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets and liabilities (including derivatives instrument) | Fair value |
| Liabilities for share-based payment arrangements | Fair value |
| Net defined benefit (asset)/liability | Fair value of the plan assets less present value of defined benefit obligations. |

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**1.2 Basis of preparation of financial statements (continued)**

**D. Use of estimates and judgment**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**Use of estimates and judgements**

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the consolidated financial statements have been disclosed below:

**i. Revenue recognition**

The Group applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Group is unable to determine the stand-alone selling price, the Group uses expected cost-plus margin approach in estimating the standalone selling price. The Group uses the percentage-of-completion method in accounting for its construction contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts and costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

**ii. Income taxes and other taxes**

The major tax jurisdiction of the Group is India. Significant judgements are involved in determining the provision for income taxes and other taxes such as customs, goods and service tax, sales tax, service tax, VAT etc. including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

**iii. Property, plant and equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and residual value. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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## 1.2 Basis of preparation of financial statements (continued)

### Use of estimates and judgements (continued)

#### iv. Warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

#### v. Recognition of Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilized. Deferred tax assets –unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

#### vi. Recognition of Lease

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes

- Measurement of defined benefit obligation: key actuarial assumptions (refer Note 2.39)
- Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources (refer Note 2.34 and 2.36)
- Recognition of impairment of financial assets (refer Notes 2.4, 2.5, 2.6, 2.11, 2.12, 2.13, 2.14 and 2.40)
- Impairment test of non-financial assets; key assumptions underlying recoverable amount of goodwill (refer Note 1.3(M) (ii))

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## 1.2 Basis of preparation of financial statements (continued)

### E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of assets or liability fall into different levels of fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 2.41 - Employee stock compensation
- Note 1.3C and 2.40 – Financial Instruments
- Note 2.39 – Assets and liabilities relating to Employee benefits

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## 1.3 Significant accounting policies

### A. Basis of consolidation

***Business Combinations***

*Business Combinations on or after 1 April 2015*

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in statement of profit and loss.

If share based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of amount of acquiree's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market based measure of the replacement award compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain/loss is recognized in statement of profit and loss or OCI, as appropriate.

*Business Combinations prior to 1 April 2015*

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP adjusted for reclassification of certain intangibles.

***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

***Non-controlling interest***

Non-controlling interests are measured at their proportionate share of acquiree's net identifiable assets as at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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## 1.3 Significant accounting policies (continued)

### 1. Basis of consolidation (continued)

***Loss of control***

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit and loss.

***Equity accounted investees***

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method and are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from the intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Group.

List of subsidiaries with percentage of equity holding

| Name of the subsidiary | Country of Incorporation | Proportion of ownership/voting power as at 31 March 2021 (in %) |
|---|---|---|
| GE Healthcare Bangladesh Limited | Bangladesh | 100% |
| General Electric Healthcare Lanka (Private) Limited | Srilanka | 100% |
| Wipro Ge Medical Device Manufacturing Private Limited | India | 100% |

The Group has an investment amounting INR 7,800,000 in Genworks Health Private Limited.

| Name of the associate | Country of Incorporation | Proportion of ownership/voting power as at 31 March 2021 (in %) |
|---|---|---|
| Genworks Health Private Limited | India | 26% |

## 1.3 Significant accounting policies (continued)

### A. Foreign currency transactions and translations

#### i. Foreign currency transactions and translations

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of transactions or at the average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

#### ii. Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign subsidiary that have a functional currency other than Indian rupees are translated into Indian rupees using the exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity.

When a foreign operation is disposed in its entirety or partially such that control or significant influence is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes off only a part of its interest in an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to statement of profit and loss.

### B. Financial instruments

#### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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**1.3 Significant accounting policies (continued)**

**ii. Classification and subsequent measurement**

*Financial assets*

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit and loss ('FVTPL') or fair value through other comprehensive income ('FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whole objective is to hold assets to collect contractual cash flows and;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

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## 1.3 Significant accounting policies (continued)

### C. Financial instruments (continued)

#### i. Derecognition

**Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers or retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

***Offsetting:***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### ii. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

### D Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. Book overdrafts are classified as part of cash and cash equivalent, as they form an integral part of Group's cash management.

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## 1.3 Significant accounting policies (continued)

### E Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

### F Property, plant and equipment

#### i. Recognition and initial measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs, directly attributable to bring the item to the working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Cost of property, plant and equipment not ready for use before the reporting date is disclosed as capital work-in-progress and is stated at cost. Advances paid towards the acquisition of fixed assets outstanding as of each reporting date is disclosed under other non-current assets.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant or equipment is recognized in statement of profit and loss.

#### ii. Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

## 1.3 Significant accounting policies (continued)

### F Property, plant and equipment (continued)

#### i. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method. Assets acquired under leases are depreciated over the shorter of lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The Group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use as prescribed under Part C of Schedule II of the Act. The estimated useful lives of the items of property, plant and equipment are as follows:

| Category | Estimated useful Life |
|---|---|
| Building | 30 years |
| Plant and Machinery | 15 years |
| Furniture and fixtures | 10 years |
| Air Conditioner | 10 years |
| Electrical Installation | 10 years |
| Computer equipment and software | 3 years |
| Vehicles | 8 years |
| Office Equipment | 5 years |
| Leasehold improvements | Lower of useful life of the asset or lease term |

Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the month in which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### iii. Goodwill and other intangible assets

Intangible fixed assets comprise computer software and goodwill on acquisition of assets / business. Software is amortised over its useful life as estimated by the Management, which represents the period over which the Group expects to derive future economic benefits from the use of the intangible asset.

Goodwill arising on acquisition of assets / business is not amortised. It is tested for impairment on a yearly basis and written-off, if found impaired.

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**Wipro GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

## 1.3 Significant accounting policies (continued)

### G Inventories

i. Inventories are carried at the lower of cost and net realisable value.

ii. Cost of inventories comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The method of determination of cost is as follows:

- Raw materials and components -on a first in first out method.
- Stores and spares – on a first in first out method.
- Finished goods – includes costs of conversion.
- Traded goods – at landed cost on a first in first out method.
- Goods in Transit- at purchase cost.

iii. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

iv. The comparison of cost and net realisable value is made on an item-by-item basis.

v. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of the related of finished goods. Raw materials, components and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

vi. The provision for inventory obsolescence is assessed on a quarterly basis and is provided as considered necessary.

### H Revenue recognition

The Group has implemented Ind-AS 115 'Revenue from Contracts with Customers' effective April 1, 2018 using cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Group applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation deliverables based on their relative stand-alone selling price.

*i. Sale of manufactured and traded goods*

Revenue is recognised upon transfer of control (performance obligation) of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and service tax or other taxes directly linked to sales.

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## 1.3 Significant accounting policies (continued)

### H Revenue recognition (continued)

*i. Sale of manufactured and traded goods (continued)*

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from sale of manufactured and traded goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms.

To recognise revenues, the Group applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.

The Group has determined that the revenues as disclosed in Note 2.37 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group then allocates the arrangement consideration to separately identifiable performance obligations based on their relative stand-alone selling price. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

'Unearned revenue(Contract liability)' includes the amounts billed to the customers/ group Companies more than value of services rendered as at the balance sheet date.

'Advance from customer' includes advances received from customer for sale of goods or services to be provided in the future period.

*ii. Construction Contracts*

Revenue on construction contracts is recognised on a percentage of completion method. The stage of completion of the contract is determined based on the proportion the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. In cases where the outcome of the construction contract cannot be estimated reliably, all foreseeable losses are provided for in the financial statements. The total contract costs is estimated based on technical and commercial estimates.

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## 1.3 Significant accounting policies (continued)

### H Revenue recognition (continued)

*iii. Service Income*

Service income includes income from annual maintenance contracts and extended warranty. Income from annual maintenance contracts and extended warranty is recognized on a pro-rata basis over the period of the contract, over which the service is delivered.

The Group provides a one or three-year warranty. These service-type warranties are sold either separately or bundled together with the sale of goods. Contracts for bundled sales of goods and a service-type warranty comprise two performance obligations because the promises to transfer the goods and to provide the service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue is recognised over the period in which the service-type warranty is provided based on the time elapsed.

When the customer has option to purchase the warranty separately, it is accounted for as Service warranty and when the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed- upon specifications, it is accounted as assurance warranty.

*iv. Multiple element arrangements*

In arrangements where single transaction involves sale of equipment and related services such as installation and extended warranty, revenue recognition criteria for each separately identifiable elements is applied. The Group has used the fair value method to allocate the consideration. The consideration is allocated on the basis of relative fair value for each of the element.

*v. Software Income*

Revenue from software services includes engineering related services, information Technology ('IT') and IT enabled services is recognized based on a "cost plus" basis and is billed in accordance with the terms of the arrangement with the group companies, when the related services are performed.

*vi. Commission on Sales*

Commission on sales comprises income earned on sales orders procured on behalf of its group companies and is recognized on shipment of goods by such group companies. The Group follows net accounting for the same.

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## 1.3 Significant accounting policies (continued)

### I Government grants:

The Group recognises Government grants only when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received. Grants related to income are recognised in statement of profit and loss as other operating revenues.

The Group is eligible to obtain financial incentive at a certain percentage of capital expenditure incurred on new product introduction, capacity enhancement, new equipment to address technological obsolescence and advanced and improved manufacturing process under Modified Special Incentive Package Scheme (M-SIPS) issued by Ministry of Communications and Information Technology on satisfaction of certain conditions mentioned under the particular scheme. As this grant relates to depreciable assets, they are being recognised in the statement of profit and loss over the periods and in the proportions in which depreciation expense on those assets are recognised.

### J Recognition of interest income or expense:

Finance and other income comprises interest income on deposits and gains / (losses) on disposal of financial assets that are measured at FVTPL (Fair Value Through Profit or Loss).

Interest income or expense is recognised using the effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### K Employee benefits

#### Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### Share based payment transactions

The Group has not issued any shares/stock options on its shares. The ultimate holding Company has, however, issued restricted stock units and stock options on its own shares to certain employees of the Group. As cost of such restricted stock units and stock option have been invoiced to the Group based on fair value method, the Group measures and discloses such cost using fair value method. The compensation cost is amortised over the vesting period of the stock option / restricted stock units on a graded vesting method.

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## 1.3 Significant accounting policies (continued)

### K Employee benefits (continued)

**Post-employment benefits**

**Defined contribution plans**

**Superannuation fund**

Contributions to superannuation fund, which is a defined contribution scheme, are made at pre-determined rates to the Life Insurance Corporation of India on a monthly basis by the holding company.

The GE Healthcare Bangladesh Limited maintains defined contribution plan Worker's Profit Participation Fund for its eligible permanent employees. It is contributed at the rates specified in the Labour Act (Amendment) 2013 of Bangladesh.

**Employee Trust Fund**

General Electric Healthcare Lanka (Private) Limited maintains defined contribution plan Employee Trust Fund for its eligible permanent employees. Where the employer is required to remit 3% of the gross salary of the employees as per Employee Trust Fund of Act No 46 of 1980, which provides protection and retirement benefits to employees in Sri Lanka.

**Provident Fund**

Subsidiary company (GE Healthcare Bangladesh Limited) –The recognised Employees Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 12% of their basic salary to provident fund and the subsidiary company also makes equal contribution. The subsidiary Company recognises contribution to defined contribution plan as an expense when an employee has rendered services as the legal and constructive obligation is limited to the amount it agrees to contribute.

Subsidiary company (General Electric Healthcare Lanka (Private) Limited) - The recognised Employees Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 8% of their gross salary and the subsidiary company also makes 12% contribution. The subsidiary Company recognises contribution to defined contribution plan as an expense when an employee has rendered services as the legal and constructive obligation is limited to the amount it agrees to contribute.

Holding Company - Employees receive benefits from a provident fund, which is a defined benefit plan. The employer and employees each make periodic contributions to the plan. The contribution is made to the approved provident fund trust managed by the Holding Company. The contributions to the trust managed by the Holding Company is accounted for as a defined benefit plan as the Holding Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return.

**Gratuity**

The Group's gratuity benefit scheme is a defined benefit plan. The calculation of the defined benefit plan is performed annually by a qualified actuary using the projected unit credit method.

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### K Employee benefits (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognized in Other Comprehensive Income and are not reclassified to profit and loss in the subsequent periods . The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in statement of profit and loss.

The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the balance sheet date. The Holding Company's gratuity scheme is administered by Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited. The subsidiary company's gratuity scheme is administered by National Board of Revenue.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in the benefit that related to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in statement of profit and loss. The Group recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

#### Compensated absences

The employees have earned the right to avail the leave and they are entitled to avail the leave at any time during the year. Since the employee has an unconditional right to avail the leave, the same is classified as "current".

The net obligation in respect of long-term employee benefits is the benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit and loss in the period in which they arise.

#### Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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## 1.3 Significant accounting policies (continued)

### L Income tax

Income tax comprises current tax and deferred tax. It is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using the tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable statement of profit and loss at the time of transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer possible respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The effect of changes in tax rates in deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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**1.3 Significant accounting policies (continued)**

**L Income tax (continued)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the current tax liabilities and assets, and they relate to income tax levied by the same tax authority on same taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**M Impairment of assets**

**i) Financial assets**

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows on the financial asset have occurred.

Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default
- the restructuring of a loan or advance by the Group on the terms that the Group would not consider otherwise
- it is probable that the borrower will enter bankruptcy or other financial reorganisation or
- the disappearance of an active market for a security because of financial difficulties

The Group measures loss allowance at an amount equal to lifetime expected losses, except for other bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit loses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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## 1.3 Significant accounting policies (continued)

### M Impairment of assets (continued)

The Group assumes the credit risk on a financial asset has increased significantly it if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or;
- The financial asset is more than 180 days past due.

**Measurement of expected credit losses**

Expected credit losses are probably weighted estimate of credit losses. Credit losses are measured at present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive)

**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**ii) Non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether they is any indication of impairment; if any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGU's). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGU's.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value

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## 1.3 Significant accounting policies (continued)

### M Impairment of assets (continued)

using a pre-tax discount rate that current reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. office building to provide support to various CGU's) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGU's to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets of the CGU (or group of CGU's) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### N Business Combination

In accordance with Ind AS 103, Business combinations, the Group accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

### O Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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## 1.3 Significant accounting policies (continued)

### O Provisions and contingent liabilities (continued)

Provisions for onerous contracts are recognized when the expected economic benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with that contract.

Warranty costs are estimated by the Management on the basis of an internal technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

### P Leases

(i) The Group as Lessee

The Group lease asset classes primarily consist of leases for premises and vehicles.

The Group assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether-

(i) the contract involves the use of an identified asset
(ii) the Group has substantially all the economic benefits from use of the asset through the period of the lease and
(iii) the Group has the right to direct the use of the asset.

This policy has been applied to contracts existing and entered into on or after April 2019.

The Group recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the

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## 1.3 Significant accounting policies (continued)

### P Leases (continued)

Group estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero, any further reduction is recognised in statement of profit and loss.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognise the lease payments associated with these leases as an expense over the lease term.

Lease liability and right-of-use asset have been separately presented in the Balance sheet and the lease payments have been classified as financing cash flows.

(ii) The Group as lessor-

Leases for which the Group is a lessor is classified as a finance lease or operating leases. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract of classified as finance lease. All other leases are classified as operating lease. Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### Q Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive.

### R Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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## 1.3 Significant accounting policies (continued)

### S Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Distribution and Manufacturing and Software.

### T Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### U Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

### V Recent accounting pronouncement

MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet**:
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Incase the Group has borrowed the funds from banks or financial institutions and have not utilized those funds for the purpose it was obtained, then the Group would be required to disclose details of such utilization.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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**Wipro GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

## 2.1 Property, plant and equipment

INR in lacs

| | Freehold land# | Buildings | Leasehold Improvements | Plant and equipment Owned | Plant and equipment Leased | Furniture and fixtures | Air conditioners | Computer equipment | Vehicle Leased | Vehicle Owned | Office equipment Owned | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | | |
| **At 01 April 2019** | **447** | **3,026** | **759** | **24,791** | **950** | **673** | **164** | **5,579** | **1,219** | **39** | **5,176** | **42,823** |
| Additions | - | 15 | 815 | 3,225 | - | 73 | - | 669 | - | 30 | 40 | 4,868 |
| Disposals/adjustments | - | (2) | (22) | (2,369) | - | (3) | - | (332) ** | - | - | (99) | (2,827) |
| Derecognition on account of INDAS 116 | - | - | - | - | - | - | - | 0 | (1,219) | - | - | (1,219) |
| Derecognition on account of scheme of Demerger (refer note 2.47) | - | 0 | (50) | (2,160) | - | (14) | - | (75) | - | - | (990) | (3,289) |
| **At 31 March 2020** | **447** | **3,039** | **1,502** | **23,487** | **950** | **729** | **164** | **5,841** | **-** | **69** | **4,127** | **40,356** |
| Additions | - | **491** | **41** | **3,913** | - | - | - | **236** | | - | **12** | **4,693** |
| Disposals/adjustments | - | (26) | - | (2,626) | (950) | (23) | (7) | (648) | | (33) | (374) | **(4,687)** |
| **At 31 March 2021** | **447** | **3,504** | **1,543** | **24,774** | **-** | **706** | **157** | **5,429** | **-** | **36** | **3,765** | **40,362** |
| **Accumulated depreciation** | | | | | | | | | | | | |
| **At 01 April 2019** | **-** | **465** | **87** | **7,453** | **929** | **312** | **54** | **3,431** | **1,105** | **13** | **2,923** | **16,772** |
| Depreciation | - | 130 | 32 | 2,066 | - | 84 | 14 | 906 | - | 12 | 633 | 3,877 |
| Disposals/adjustments | - | (1) | (16) | (2,172) | - | (2) | - | (261) | - | - | (98) | (2,550) |
| Derecognition on account of INDAS 116 | - | - | - | - | - | - | - | - | (1,105) | - | - | (1,105) |
| Derecognition on account of scheme of Demerger (refer 2.47) | - | 0 | (6) | (642) | - | (7) | - | (58) | - | - | (542) | (1,255) |
| **At 31 March 2020** | **-** | **594** | **97** | **6,705** | **929** | **387** | **68** | **4,018** | **-** | **25** | **2,916** | **15,739** |
| Depreciation | - | **136** | **231** | **2,097** | - | **74** | **13** | **700** | | **8** | **446** | **3,705** |
| Disposals/adjustments | - | (20) | - | (1,746) | (929) | (21) | (2) | (622) | | (32) | (283) | **(3,655)** |
| **At 31 March 2021** | **-** | **710** | **328** | **7,056** | **-** | **440** | **79** | **4,096** | **-** | **1** | **3,079** | **15,789** |
| **Net carrying amount** | | | | | | | | | | | | |
| **At 31 March 2020** | **447** | **2,445** | **1,405** | **16,782** | **21** | **342** | **96** | **1,823** | **-** | **44** | **1,211** | **24,617** |
| **At 31 March 2021** | **447** | **2,794** | **1,215** | **17,718** | **-** | **266** | **78** | **1,333** | **-** | **35** | **686** | **24,573** |

** Disposals for year ended 31 March 2020, include transfer of computer equipments towards sale of business (refer note 2.48) . The gross block and net block of such computer equipments were INR 186 lacs and INR 65 lacs respectively.

Refer note 2.34 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
# The title deeds of freehold land are not held in the name of the Group. These are transferred from GE Medical Systems (India) Private Limited on its merger with the Group in the year 2012-13. The court order on the aforesaid merger transferred the ownership of freehold land in favour of the Group.

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**2.2 Lease**

**Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:**

INR in Lacs

| | Premises | | Vehicle | | Total | |
|---|---|---|---|---|---|---|
| **Particulars** | **31 March 2021** | **31 March 2020#** | **31 March 2021** | **31 March 2020#** | **31 March 2021** | **31 March 2020#** |
| **Balance as at the beginning of the year** | 7,480 | 7,280 | 1,782 | 2,155 | 9,262 | 9,435 |
| Addition | 2,886 | 1,422 | 281 | 978 | 3,167 | 2,400 |
| Deletion | - | - | (127) | - | (127) | - |
| Depreciation | (1,962) | (1,222) | (874) | (1,351) | (2,836) | (2,573) |
| **Balance as at the end of the year** | **8,404** | **7,480** | **1,062** | **1,782** | **9,466** | **9,262** |

# Balance at the beginning of the year represents the right-of-use asset of INR 9,435 recognised as at transition date i.e. 1 April 2019.

**The following is the movement in lease liabilities during the year ended 31 March 2021 and 31 March 2020**

INR in Lacs

| **Particulars** | **31 March 2021** | **31 March 2020#** |
|---|---|---|
| **Balance as at beginning of the year** | 9,322 | 9,435 |
| Addition | 3,167 | 2,400 |
| Deletion | (137) | - |
| Finance cost accrued during the period | 928 | 1,022 |
| Payment of lease liabilities | (3,758) | (3,535) |
| **Balance as at the end of the year** | **9,522** | **9,322** |

# Balance at the beginning of the year represents the lease liability asset of INR 9,435 recognised as at transition date i.e. 1 April 2019.

**The following is the break-up of current and non-current lease liabilities as at 31 March 2021 and 31 March 2020**

INR in Lacs

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Current | 2,474 | 2,266 |
| Non-current | 7,049 | 7,056 |
| **Total** | **9,523** | **9,322** |

**The contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on an undiscounted basis:**

INR in Lacs

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Less than one year | 3,293 | 3,059 |
| One to five years | 7,698 | 7,361 |
| More than five years | 704 | 1,170 |
| **Total** | **11,695** | **11,590** |

**The following are the amounts recognised in statement of profit or loss:**

INR in Lacs

| **Particulars** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Amortisation of Right-of- use asset | 2,836 | 2,573 |
| Interest on lease liabilities | 928 | 1,022 |
| Rental expense recorded for low value asset | 1,958 | 2,097 |
| **Total** | **5,722** | **5,692** |

**Operating Lease as Lessor:**

The Group provides medical equipments under operating lease. Lease income earned during the year amounts to Nil (31 March 2020 : INR 133 lacs).

Lease contracts entered by the Group pertains for premises and vehicles taken on lease. The Group does not foresee any impact on leases due to COVID -19.

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**2.3 Goodwill and other intangible asset**

INR in lacs

| | Computer software | Goodwill | Total |
|---|---|---|---|
| **Cost** | | | |
| **At 01 April 2019** | 1,301 | 6,253 | 7,554 |
| Additions | 757 | - | 757 |
| Disposals | (294) | - | (294) |
| Derecognition on account of scheme of Demerger (refer note 2.47) | (356) | (3,407) | (3,763) |
| **At 31 March 2020** | 1,408 | 2,846 | 4,254 |
| Additions | 117 | - | 117 |
| Disposals | (50) | - | (50) |
| **At 31 March 2021** | 1,475 | 2,846 | 4,321 |
| **Accumulated amortisation** | | | |
| **At 01 April 2019** | 1,022 | - | 1,022 |
| Amortisation | 433 | - | 433 |
| Disposals | (295) | - | (295) |
| Derecognition on account of scheme of Demerger (refer note 2.47) | (330) | | (330) |
| **At 31 March 2020** | 830 | - | 830 |
| Amortisation | 360 | - | 360 |
| Disposals | (38) | - | (38) |
| **At 31 March 2021** | 1,152 | - | 1,152 |
| **Net carrying amount** | | | |
| **At 31 March 2020** | 578 | 2,846 | 3,424 |
| **At 31 March 2021** | 323 | 2,846 | 3,169 |

**Goodwill**

For the purpose of impairment testing, goodwill had been allocated to the cash generating units (CGU) as given below

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Distribution and Manufacturing | 2,846 | 2,846 |
| | 2,846 | 2,846 |

*During the year ended 31 March 2020, consequent to the scheme of Demerger, goodwill of INR 3407 lacs had been transferred to Hyclone Life Sciences Solutions India Private Limited (refer note 2.47)

The key assumptions used in estimation of recoverable amount are set out below:

| Assumptions | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Annual growth rate | 5% | 5% |
| Terminal growth rate | 3% | 3% |
| Discounting rate | 11.3% | 13.1% |

The value assigned to key assumptions represent management assessment of future trend and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risk specific to a CGU. The discount rate is estimated based on the capital asset pricing method. The cash flow projections included specific estimates developed using internal forecasts. the planning horizon reflects the assumptions for short to midterm market developments. Management believes that any reasonably possible changes in key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit

The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

**2.4 Financial assets - Investments**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Investments in equity instruments** | | |
| **Unquoted equity shares** | | |
| **Investment in equity accounted investee at cost** | | |
| **Associate** | | |
| Genworks Health Private Limited<br>780,000 (31 March 2020: 780,000) equity shares of Rs 10 each, fully paid up | 78 | 78 |
| Less: Allowance for other than temporary diminution | (78) | (78) |
| | - | - |
| Aggregate value of unquoted investments | 78 | 78 |
| Aggregate amount of impairment in value of investments | (78) | (78) |

**2.5 Financial assets - Loans receivables (non-current)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Rental deposits* | 402 | 423 |
| | 402 | 423 |

*includes deposits with related parties (refer note 2.42)

**2.6 Financial assets - Other financial assets (non-current)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Earnest money deposits | 973 | 933 |
| Deposits with a maturity of more than twelve months from the reporting date | 46 | 43 |
| Government grants ** | 266 | 266 |
| Other deposits | 151 | 158 |
| | 1,436 | 1,400 |
| ***Unsecured, considered doubtful*** | | |
| Doubtful Earnest money deposit | 1,094 | 850 |
| Less: Allowance for doubtful receivables and advances | (1,094) | (850) |
| | - | - |
| | 1,436 | 1,400 |

The Group's exposure to interest rate risk is disclosed in note 2.40
**Refer note 2.43

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**2.7 Income tax**

**(a) Amount recognised in Statement of profit and loss**

INR in lacs

| **Particulars** | **For Year ended 31 March 2021** | **For Year ended 31 March 2020** |
|---|---|---|
| **Current tax** | | |
| Current period | 10,496 | 10,695 |
| Changes in estimates related to prior years | 110 | 135 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | (558) | (618) |
| Reduction in tax rate | | 1,243 |
| **Tax expense for the year** | **10,048** | **11,455** |
| | | |
| **Reconciliation of effective tax rate** | | |
| Profit before income tax | 37,656 | 41,654 |
| Tax using the Company's domestic income tax rate 25.17% (March 31, 2020 - 25.17%) | 9,478 | 10,484 |
| *Tax effect of amounts which are not deductible / (taxable) in calculating taxable income* | | |
| Impact of deductions under Section 80G and 80JJAA of income tax act, 1961 | 69 | 103 |
| Impact of change in tax rate adopted for tax on business income | - | 1,243 |
| Impact of different tax rate on capital gain | - | (107) |
| Changes in estimates related to prior years | 110 | 135 |
| Tax Impact on account of differental tax rate in subsidiaries | 145 | 2 |
| Others | 247 | (405) |
| | **10,048** | **11,455** |
| **Effective tax rate** | **26.68%** | **27.50%** |

**(c) Recognised deferred tax assets and liabilities**

The following is the movement of deferred tax assets / liabilities presented in the balance sheet

INR in lacs

| **For the year ended 31 March 2021** | **Opening balance** | **Recognised in profit or loss** | **Recognised in OCI** | **Closing balance** |
|---|---|---|---|---|
| **Deferred tax asset** | | | | |
| Provision for doubtful receivables and advances, provision for litigations | 3,399 | 402 | - | 3,801 |
| Employee benefit obligations | 2,265 | 180 | (95) | 2,350 |
| Lease liabilities | 2,346 | 50 | | 2,397 |
| Others | 172 | (48) | - | 124 |
| **Gross deferred tax assets** | **8,182** | **584** | **(95)** | **8,672** |
| **Deferred tax liability** | | | | |
| Right-of- use asset | 2,331 | 51 | | 2,383 |
| Property, plant and equipment and intangible assets | 1,525 | (25) | - | 1,500 |
| **Gross deferred tax liability** | **3,856** | **26** | **-** | **3,883** |
| **Net deferred tax asset** | **4,326** | **558** | **(95)** | **4,789** |

INR in lacs

| **For the year ended 31 March 2020** | **Opening balance** | **Impact on account of change in tax rate** | | **Recognised in profit or loss** | **Recognised in OCI** | **Closing balance** |
|---|---|---|---|---|---|---|
| | | **Recognised through Statement of Profit and Loss** | **Recognised through other comprehensive income** | | | |
| **Deferred tax asset** | | | | | | |
| Provision for doubtful receivables and advances, provision for litigations | 4,478 | (1,229) | | 150 | - | 3,399 |
| Employee benefit obligations | 3,635 | (940) | (78) | (637) | 284 | 2,265 |
| Lease liabilities | 2,375 | - | - | (28) | - | 2,346 |
| Others | 121 | (34) | | 85 | - | 172 |
| **Gross deferred tax assets** | **10,609** | **(2,203)** | **(78)** | **(430)** | **284** | **8,182** |
| **Deferred tax liability** | | | | | | |
| Property, plant and equipment and intangible assets | 3,489 | (960) | - | (1,004) | - | 1,525 |
| Right-of- use asset | 2,375 | - | - | (44) | - | 2,331 |
| **Gross deferred tax liability** | **5,864** | **(960)** | **-** | **1,048** | **-** | **3,856** |
| **Net deferred tax asset (liabilities)** | **4,745** | **(1,243)** | **(78)** | **618** | **284** | **4,326** |

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**2.8(a) Income tax assets (net)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Considered good** | | |
| Advance tax and tax deducted at source (net of provision) | 8,311 | 9,026 |
| Income tax paid under protest | 7,089 | 7,089 |
| | **15,400** | **16,115** |
| **Considered doubtful** | | |
| Advance tax and tax deducted at source | 22 | 26 |
| Less: Allowance for doubtful receivables | (22) | (26) |
| | - | - |
| | **15,400** | **16,115** |

**2.8(b) Income tax liabilities (net)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Provision for tax (net) | 421 | 559 |
| | **421** | **559** |

**2.9 Other non-current assets**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| ***Unsecured, considered good*** | | |
| Sales tax and custom duty paid under protest | 1,141 | 1,823 |
| Customs duty receivable | 1,430 | 1,430 |
| Value added tax and service tax input credit | 28 | 29 |
| Advances | 50 | 13 |
| | **2,649** | **3,295** |
| ***Unsecured, considered doubtful*** | | |
| Sales tax and custom duty paid under protest | 2,328 | 1,807 |
| Exports incentive receivables | 804 | - |
| Advances | 59 | 30 |
| Less: Allowance for doubtful receivables and advances | (3,191) | (1,837) |
| | - | - |
| | **2,649** | **3,295** |

**2.10 Inventories (valued at lower of cost and net realisable value)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Raw materials and components (including goods in transit INR 2,423 lacs, 31 March 2020: 1,043 lacs) | 10,348 | 9,709 |
| Work in Progress | 3,017 | 772 |
| Finished goods | 606 | 665 |
| Stock-in-trade (including goods in transit INR 8,824 lacs, 31 March 2020: INR 12,108 lacs) | 24,359 | 36,292 |
| Stores and spares (including goods in transit INR 2,145 lacs, 31 March 2020: INR 1,547 lacs) | 13,510 | 13,588 |
| | **51,840** | **61,026** |

Inventories pledged as securities for guarantees provided by banks on behalf of Group amounting to INR 3,500 lacs

As at 31 March 2021, the total provision for slow non moving inventories amounted to INR 6,811 lacs (31 March 2020: INR 6,987 lacs)

**2.11 Financial assets - Trade receivables**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Unsecured** | | |
| - considered good* | 107,609 | 108,733 |
| - considered doubtful | 6,070 | 4,249 |
| | 113,679 | 112,982 |
| Less: Allowance for doubtful receivables | (6,070) | (4,249) |
| | **107,609** | **108,733** |

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 2.40

During the year ended 31 March 2020, consequent to the scheme of Demerger, the Trade receivables of INR 5,104 lacs and allowance for doubtful receivables of INR (89) lacs had been transferred to Hyclone Life Sciences Solutions India Private Limited. (Refer note 2.47)

*includes due from related parties (refer note 2.42)

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### 2.12 Financial assets - Cash and cash equivalents

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash on hand* | 1 | 1 |
| Balances with banks | | |
| - Current accounts | 44,654 | 26,993 |
| - Cheques in hand | 1,337 | 1,364 |
| **Cash and cash equivalents in balance sheet** | **45,992** | **28,358** |

The Group exposure to credit, currency and liquidity risk are disclosed in note 2.40
* The cash on hand as at 31 March 2021 is INR 65,663 rounded off to nearest lacs.

### 2.13 Financial assets - Loans receivables (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| Cash pool balance* | 134,095 | 147,951 |
| Rental deposits | 24 | 25 |
| | **134,119** | **147,976** |

The Group's exposure to interest rate risk is disclosed in note 2.40
*includes due from related parties (refer note 2.42)

### 2.14 Financial assets - Other financial assets (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| Receivable from Ge Healthcare Global Private Limited*/# | 74 | 74 |
| Unbilled revenue* | 2,463 | 1,681 |
| | **2,537** | **1,755** |

*includes due from related parties (refer note 2.42)
# Erstwhile Datex-Ohmeda (India) Private Limited

### 2.15 Other current assets

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| Balances with government authorities (goods and service tax) | 7,718 | 6,312 |
| Exports incentive receivables^ | 13 | 1,068 |
| Prepayments | 1,660 | 1,640 |
| Supplier advances* | 767 | 2,546 |
| | **10,158** | **11,566** |

*includes due from related parties (refer note 2.42)
^ represents duty credit scrips held in hand as on 31 March 2021.

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## 2.16 Equity share capital

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| | | INR in lacs |
| **Authorised** | | |
| **Equity shares** | | |
| 11,000,000 (previous year: 11,000,000) equity shares of INR 10 each | 1,100 | 1,100 |
| | **1,100** | **1,100** |
| **Issued, subscribed and fully paid up** | | |
| **Equity shares** | | |
| 9,937,961 (previous year: 10,511,423) equity shares of INR 10 each | 994 | 1,051 |
| | **994** | **1,051** |

Reconciliation of the shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | Number of shares | Amount (INR in lacs) | Number of shares | Amount (INR in lacs) |
| Shares outstanding at the beginning of the year | 10,511,423 | 1,051 | 10,511,423 | 1,051 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year (refer below note) | 573,462 | 57 | - | - |
| Shares outstanding at the end of the year | 9,937,961 | 994 | 10,511,423 | 1,051 |

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the period of five years immediately preceding 31 March 2021, no shares have been allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash.

**Buy-back of Equity Shares:**

The Board of Directors, at its meeting held on 18 December 2020, approved a proposal for the Company to buy-back its fully paid up equity shares of face value of INR 10/- each from the eligible equity shareholders of the Company for an aggregate amount not exceeding INR 36,191 lacs.This amount represents 19.03% of the aggregate paid up equity share capital and free reserves (including securities premium account and capital reserves) as per unaudited special purpose condensed Interim standalone financial statements of the Company for the six months period ended 30 September 2020 and was within the statutory limit applicable for buy-back. The Buy-back offer comprised a purchase of 573,462 equity shares representing 5.46% of the total number of paid up equity shares of the Company at a price of INR 6,311/- per equity share of INR 10 each, as per the valuation report obtained from registered valuer. The buy-back was offered to the existing security holders on a proportionate basis. The Company completed the buy-back on 24 December 2020. The Company has created 'Capital Redemption Reserve' for INR 57 lacs equal to the nominal value of shares bought back pursuant to Section 69(1) of the Companies Act, 2013 as an appropriation from general reserve. The Company has completely utilised securities premium amounting to INR 3,249 lakhs and general reserve amounting to INR 2,009 lakhs for the distribution of buyback consideration (inclusive of taxes arising on account of buy back transaction). The Company has utilised retaining earnings amounting to INR 39,294 lacs for the distribution of buyback consideration (inclusive of taxes arising on account of buy back transaction) as securities premium and general reserve were inadequate to that extent.

Equity shares held by holding company and their subsidiaries:

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| General Electric Company U.S.A, holding company | 5,068,359 | 5,360,825 |
| GE Pacific Holdings Pte. Limited, subsidiary of holding company | 1 | 1 |
| | **5,068,360** | **5,360,826** |

Equity shareholders holding more than 5 percent of equity shares along with the number of equity shares held is given below:

| Name of Shareholder | As at 31 March 2021 | | As at 31 March 2020 | |
|---|---|---|---|---|
| | No. of shares | % | No. of shares | % |
| General Electric Company U.S.A, holding company | 5,068,359 | 51 | 5,360,825 | 51 |
| Wipro Enterprises Private Limited | 4,869,601 | 49 | 5,150,597 | 49 |

**Other equity**

**Securities premium**

Securities premium pertains to the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**General reserve**

General reserve pertains to transfer of profits from retained earnings for appropriation purposes.

**Capital reserve**

Capital reserve was created on account of amalgamation scheme. It is utilised in accordance with the provisions of the Companies Act, 2013. The excess of assets over liabilities transferred pursuant to the scheme of arrangement was recognised in the capital reserve. (Refer note 2.47)

**Capital redemption reserve**

Capital redemption reserve was created on account of buy back of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Amalgamation adjustment deficit account**

The Board of directors of the Company had approved the scheme of amalgamation under Section 391 to 394 and provisions of the Companies Act,1956 for the merger of GE Medical Systems (India) Private Limited and GE Healthcare Private Limited (subsidiaries of the Company) into the Company. The Scheme was approved by the Honorable High Court of Karnataka and Honorable High Court of Delhi dated 24 July 2013 and 27 August 2013 respectively with effect from 1 April 2012. The Company has accounted for the amalgamation in accordance with the treatment prescribed in the Scheme which is in line with the pooling of interest method of accounting prescribed under the Accounting Standard 14 - "Accounting for Amalgamations". All the assets and liabilities recorded in the books of the respective transferor companies was transferred to and vested in the Company pursuant to the Scheme and was recorded by the Company at their book values as appeared in the books of the transferor companies; The identity of the reserves of the transferor companies, if any, to the extent possible was preserved and it appear in the financial statements of the Company in the same form and manner in which they appeared in the financial statements of the transferor companies, prior to this Scheme becoming effective; The deficit of net assets getting transferred to the Company as reduced by the cost of investments in transferor companies appearing in the books of the Company was against the reserves of the Company and accordingly the same has been shown separately as 'Amalgamation Adjustment Deficit Account' aggregating INR 27,155 lacs.

**Analysis of accumulated OCI, net of tax**

Remeasurements of defined benefit liability (asset) and exchange differences on translating the financial statements of foreign operations:

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| | | INR in lacs |
| Opening balance | (814) | (214) |
| Exchange differences on translating the financial statements of a foreign operation | (18) | 14 |
| Remeasurements of defined benefit liability (asset) | 286 | (614) |
| **Closing balance** | **(546)** | **(814)** |

Remeasurement of defined benefit liability (asset) comprises of actuarial gains and losses and return on plan assets (excluding interest income).

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Notes to the consolidated financial statements

## 2.17 Financial liabilities - Lease Liabilities (non-current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Lease liabilities* | 7,049 | 7,056 |
| | **7,049** | **7,056** |

*Refer Note 2.2

## 2.18 Financial liabilities - Other financial liabilities (non-current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Security deposit from dealers | 93 | 93 |
| | **93** | **93** |

## 2.19 Provisions (non-current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 2.39) | 4,064 | 2,940 |
| | **4,064** | **2,940** |
| **Other provisions** | | |
| Provision for warranties (refer note 2.36) | 161 | 165 |
| | **161** | **165** |
| | **4,225** | **3,105** |

## 2.20 Other non-current liabilities

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Unearned revenue | 30,140 | 27,314 |
| Deferred government grant* | 201 | 205 |
| Unamortised interest | 486 | 247 |
| | **30,827** | **27,766** |

*Refer note 2.43

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## 2.21 Financial liabilities - Lease liabilities (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Lease liabilities* | 2,474 | 2,266 |
| | **2,474** | **2,266** |

*Refer Note 2.2

## 2.22 Financial liabilities - Trade payables

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 2.38) | 1,564 | 759 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 122,814 | 125,014 |
| | **124,378** | **125,773** |

The Group's exposure to currency and liquidity risk are disclosed in note 2.40
*includes due to related parties (refer note 2.42)

## 2.23 Financial liabilities - Other financial liabilities (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Book overdraft | 270 | 256 |
| Creditors for capital goods | 593 | 471 |
| Employee related liabilities | 9,958 | 8,526 |
| Employee stock compensation cost payable (refer note 2.43) | 1,842 | 2,517 |
| | **12,663** | **11,770** |

The Group's exposure to liquidity risk are disclosed in note 2.40

## 2.24 Provisions (current)

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Compensated absences | 5,192 | 6,018 |
| **Other provisions** | | |
| Provision for warranties (refer note 2.36) | 4,634 | 4,018 |
| Provision for litigations (refer note 2.36) | 2,432 | 2,629 |
| | **12,258** | **12,665** |

## 2.25 Other current liabilities

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| Statutory liabilities | 4,193 | 4,293 |
| Unearned revenue | 40,930 | 37,018 |
| Advance received from customers | 10,911 | 9,392 |
| Deferred government grant* | 28 | 28 |
| | **56,062** | **50,731** |

*Refer note 2.43

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### 2.26 Revenue from operations

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| **Sale of goods** | | |
| Sale of manufactured goods # | 94,245 | 97,522 |
| Sale of traded goods # | 248,107 | 259,323 |
| **Total income from sale of goods** | **342,352** | **356,845** |
| **Sale of services** | | |
| Service income # | 65,373 | 61,495 |
| Software income # | 100,030 | 110,056 |
| Commission on sales # | 252 | 4,335 |
| **Total income from sale of services** | **165,655** | **175,886** |
| **Other operating revenue** | | |
| Contract revenue | 1,854 | 1,852 |
| Scrap sales | 61 | 64 |
| Export incentives** | 1,222 | 2,030 |
| **Total other operating revenue** | **3,137** | **3,946** |
| **Total revenue from operations** | **511,144** | **536,677** |

**The Group under Merchandise Export from India Scheme (MEIS) earns incentive in the form of duty credit scrip. The incentive is paid as percentage of the realized FOB value (in free foreign exchange) for notified goods going to notified markets.

# includes sale of goods/ services from related party (refer note 2.42)

Notes:

a) As per the requirements of Ind AS 115, The Group disaggregates revenue based on the line of business and geography. Refer note 2.37

b) Information about major customers has been included in segment information. (refer note 2.37)

c) Changes in contract liabilities:

INR in lacs

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Balance at the beginning of the year - | 73,724 | 66,955 |
| Add:- Increase due to invoicing during the year | 29,850 | 16,572 |
| Less: Revenue recognised that was included in the deferred revenue at the beginning of the year | (21,594) | (9,803) |
| Balance at the end of the year | 81,980 | 73,724 |
| Expected revenue recognisation from remaining performance obligations: | | |
| - Within one year | 51,840 | 46,410 |
| - More than one year | 30,140 | 27,314 |
| | 81,980 | 73,724 |
| d) Contract balances | | |
| Trade receivables (refer note 2.11) | 107,609 | 108,733 |
| Unbilled revenue (refer note 2.14) | 2,463 | 1,681 |
| | 110,072 | 110,414 |
| Contract liabilities: | | |
| Unearned revenue (refer note 2.20 and 2.25) | 71,069 | 64,332 |
| Advance received from customers (refer note 2.25) | 10,911 | 9,392 |
| | 81,980 | 73,724 |

e) Performance obligations

In relation to information about Group performance obligations in contracts with customers (refer note 1.3(H)).

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## 2.27 Other income

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Interest income* (refer note 2.40) | 6,347 | 8,789 |
| Foreign exchange gain, net | - | 3,751 |
| Provision for litigation no longer required written back ^ | 28 | 999 |
| Provision no longer required (doubtful advances) written back | 9 | 1,298 |
| Miscellaneous income ** | 994 | 834 |
| | **7,378** | **15,671** |

* includes interest income from related parties (refer note 2.42)
** refer note 2.42
^ refer note 2.36

## 2.28 Cost of materials consumed

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Raw materials and components consumed *# | | |
| Opening stock | 9,709 | 10,037 |
| Add: purchases | 100,186 | 94,650 |
| Less: closing stock | (10,348) | (9,709) |
| | **99,547** | **94,978** |

* the consumption disclosed is based on the derived figures.
# includes goods in transit

## 2.29 Changes in inventories of finished goods, work in progress and stock-in-trade

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Opening stock * | | |
| Work in Progress | 772 | 1,117 |
| Finished goods | 665 | 445 |
| Stock-in-trade # | 36,292 | 31,157 |
| | **37,729** | **32,719** |
| Less: Transferred to Hyclone Life Sciences Solutions India Private Limited consequent to the scheme of Demerger (refer note 2.47) | - | (865) |
| | **37,729** | **31,854** |
| Less: closing stock * | | |
| Work in Progress | 3,017 | 772 |
| Finished goods | 606 | 665 |
| Stock-in-trade # | 24,359 | 36,292 |
| | **27,982** | **37,729** |
| | **9,747** | **(5,875)** |

# includes goods-in-transit
* refer note 2.10

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### 2.30 Employee benefits expense

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Salaries and wages | 80,223 | 81,672 |
| Contribution to provident funds* | 3,833 | 3,999 |
| Expenses related to post employment defined benefit plans - Gratuity* | 1,596 | 1,773 |
| Employee stock options and restricted stock units** | 62 | 237 |
| Staff welfare expenses | 1,559 | 2,796 |
| | **87,273** | **90,477** |

* refer note 2.39
** refer note 2.41

### 2.31 Finance costs

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Interest expenses | 1,260 | 2,543 |
| Interest on lease liabilities | 928 | 1,022 |
| | **2,188** | **3,565** |

### 2.32 Depreciation and amortisation expense

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Depreciation on property plant and equipment (refer note 2.1) | 3,705 | 3,877 |
| Amortisation of Right-of- use asset (refer note 2.2) | 2,836 | 2,573 |
| Amortisation of intangible assets (refer note 2.3) | 360 | 433 |
| | **6,901** | **6,883** |

### 2.33 Other expenses

INR in lacs

| Particulars | For Year ended 31 March 2021 | For Year ended 31 March 2020 |
|---|---|---|
| Subcontracting charges | 17,636 | 21,124 |
| Freight outward | 10,207 | 9,012 |
| Legal and professional fees (refer note 2.35) | 9,805 | 15,957 |
| Repairs and maintenance: | | |
| - buildings | 8,599 | 9,131 |
| - plant and machinery | 329 | 240 |
| - others | 1,392 | 1,568 |
| Warranty costs (refer note 2.36) | 5,206 | 5,176 |
| Royalty | 4,920 | 3,813 |
| Travelling and conveyance | 4,390 | 10,953 |
| Rent | 2,610 | 3,783 |
| Commission on sales | 2,392 | 2,966 |
| Consumables and program materials | 1,325 | 2,152 |
| Provision for doubtful receivables and advances | 3,419 | 323 |
| Insurance | 1,226 | 1,708 |
| Communication expenses | 1,144 | 1,574 |
| Foreign exchange loss, net | 768 | - |
| Advertising and sales promotion | 732 | 1,692 |
| Rates and taxes | 640 | 844 |
| Loss on sale of property, plant and equipment, net | 389 | 208 |
| Power and fuel | 242 | 351 |
| Corporate social responsibility (refer note 2.45) | 775 | 804 |
| Miscellaneous | 4,727 | 5,093 |
| | **82,873** | **98,472** |

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**2.34 Contingent liabilities and commitments (to the extent not provided for)**

INR in lacs

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| **(i) Contingent liabilities:** | | |
| (a) Claims against The Group not acknowledged as debts (including interest and penalty demanded) | | |
| - Sales tax, Foreign Exchange Management Act, 1999 and other indirect taxes# | 6,720 | 5,016 |
| - Income tax # | 89,258 | 87,551 |
| - Litigations | 3,369 | 2,707 |
| **(ii) Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 1,390 | 1,391 |
| **(iii) Guarantees outstanding** | | |
| Guarantees provided by banks on behalf of The Group to the Indian Government, customers and certain other agencies | 23,694 | 22,712* |

# Includes interest upto the date of respective notices of demand
*Includes INR 559 lacs related to Bio Pharma division and pursuant to demerger order, subsequent to 31 March 2020, these had been transfered to Hyclone Life Sciences Solutions India Private Limited (Refer note 2.47).

**Notes**

i. Pending resolution of the respective proceedings, it is not practicable for The Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

iii. The guarantees provided by banks on behalf of the Group are secured by first charge on inventory amount of INR 3,500 lacs (Refer Note 2.10).

iv. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**2.35 Auditors' remuneration (excluding goods and service tax) included in legal and professional fees**

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Statutory audit fees | 100 | 94 |
| Group reporting - Singapore | 12 | 11 |
| Tax audit fees | 4 | 4 |
| Limited Review | 17 | - |
| Certification fees | 15 | 3 |
| Reimbursement of expenses | 2 | 1 |
| **Total** | **150** | **113** |

**2.36 Set out below is the movement in provision balances in accordance with IND AS 37, 'Provisions, Contingent Liabilities and Contingent Assets' prescribed in the**

(a) **Provision for warranty:**
Warranty provision is utilised to make good the amount spent on spares, labour, and all other related expenses in the event of failure of equipment during the warranty period. Outflows are expected to maintain the same trend as that of past years. No amount is expected as a reimbursement towards this cost.

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Opening balance | 4,183 | 4,342 |
| Add: provision | 5,206 | 5,176 |
| Less: utilisation | (4,594) | (5,335) |
| **Closing balance** | **4,795** | **4,183** |

(b) **Provision for litigations:**
Provision for litigation includes the provision made towards Customs duty and Sales tax under protest, consumer cases filed against the Group towards defective material supplied, etc. The provision for litigations is utilised to make good any amount payable in the event of any adverse judgement on the Group. The provision is based on informed advice obtained by the Group. The Group, however, can not estimate with reasonable certainty the period of utilization of the same.

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Opening balance | 2,629 | 3,987 |
| Add: provision | 212 | 86 |
| Less: utilisation | (169) | (359) |
| Less: reversal | (240) | (1,085) |
| **Closing balance** | **2,432** | **2,629** |

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## 2.37 Segment Reporting

An operating segment is a component that engages in business activities from which it may earn revenue and incur expenses and for which discrete financial information is available.

The Managing Director of the Group has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". The Managing Director evaluates the Group's performance based on an analysis of various performance indicators by operating segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Operating segment of the Group are primarily following:

a) Distribution and Manufacturing - Distribution includes trading in diagnostic ultrasound, medical and surgical systems, computer tomography systems, medical electronic diagnostic imaging products, high power x-ray including image intensifier TV Systems, medical electronic diagnostic equipments, accessories, equipment parts, contract revenue and trading of medical diagnostic products and imaging agents (as these are incidental to the sale of equipments), extended warranty, annual maintenance contracts, commission on sales on sales orders procured on behalf of its group companies and other service arrangements.
Manufacturing includes manufacture of surgical and diagnostic medical equipments. The Company manufactures X-ray equipments, MR tables and X-ray generators in India for global markets.

b) Software - includes development of software for medical equipments, engineering services rendered to Global Technology Organisation (GTO), IT and IT enabled services, accounting and marketing related services to its group companies.

**1 April 2020 to 31 March 2021**

**INR in lacs**

| **Particulars** | **Distribution and Manufacturing** | **Software** | **Unallocated** | **Total** |
|---|---|---|---|---|
| **Revenues** | | | | |
| Segment revenue | 411,114 | 100,030 | - | 511,144 |
| **Total revenues** | **411,114** | **100,030** | **-** | **511,144** |
| **Costs** | | | | |
| Segment cost | (382,175) | (87,207) | (775) | (470,157) |
| Other income | 1,031 | - | 6,347 | 7,378 |
| Depreciation and amortisation expense | (3,154) | (3,747) | - | (6,901) |
| Loss on sale of property, plant and equipment, net | | - | (389) | (389) |
| Provision for doubtful receivables and advances | (3,419) | - | - | (3,419) |
| **Profit before taxes** | **23,397** | **9,076** | **5,183** | **37,656** |
| Current year tax | (406) | - | (10,200) | (10,606) |
| Deferred tax charge | | - | 558 | 558 |
| **Profit after taxes** | **22,991** | **9,076** | **(4,459)** | **27,608** |
| **Other Information** | | | | |
| Segment assets | 189,905 | 22,536 | - | 212,442 |
| Unallocable corporate assets | - | - | 204,206 | 204,206 |
| **Total assets** | **189,905** | **22,536** | **204,206** | **416,648** |
| Segment liabilities | 222,562 | 23,468 | - | 246,030 |
| Unallocable corporate liabilities | - | - | 4,421 | 4,421 |
| **Total liabilities** | **222,562** | **23,468** | **4,421** | **250,451** |

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**2.37 Segment Reporting (continued)**

**1 April 2019 to 31 March 2020**

INR in lacs

| Particulars | Distribution and Manufacturing | Software | Unallocated | Total |
|---|---|---|---|---|
| **Revenues** | | | | |
| Segment revenue | 426,621 | 110,056 | - | 536,677 |
| **Total revenues** | **426,621** | **110,056** | **-** | **536,677** |
| **Costs** | | | | |
| Segment cost | (409,518) | (96,632) | (3,358) | (509,508) |
| Other income | 6,882 | - | 8,789 | 15,671 |
| Depreciation and amortisation expense | (3,464) | (3,419) | - | (6,883) |
| Loss on sale of property, plant and equipment, net | - | - | (208) | (208) |
| Provision for doubtful receivables and advances | (323) | - | - | (323) |
| **Profit before taxes** | **20,199** | **10,005** | **5,223** | **35,426** |
| **Exceptional Items:** | | | | |
| Profit from sale of business unit | - | 6,228 | - | 6,228 |
| Current year tax | - | - | (10,830) | (10,830) |
| Deferred tax charge | - | - | (625) | (625) |
| **Profit after taxes** | **20,199** | **16,233** | **(6,232)** | **30,199** |
| **Other Information** | | | | |
| Segment assets | 198,069 | 20,280 | - | 218,349 |
| Unallocable corporate assets | - | - | 206,365 | 206,365 |
| **Total assets** | **198,069** | **20,280** | **206,365** | **424,714** |
| Segment liabilities | 211,677 | 23,385 | - | 235,062 |
| Unallocable corporate liabilities | - | - | 6,722 | 6,722 |
| **Total liabilities** | **211,677** | **23,385** | **6,722** | **241,784** |

**Geographical information**

**i. Revenue from operations and Other income**

INR in lacs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| India | 304,544 | 321,820 |
| United States | 131,888 | 145,138 |
| China | 24,136 | 22,517 |
| Singapore | 24,548 | 27,111 |
| Rest of the world | 33,406 | 35,762 |
| **Total** | **518,522** | **552,348** |

**ii. Non-current assets**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| India | 57,765 | 59,150 |

**Major Customer**

Revenue from one customer i.e. GE Precision Healthcare LLC is INR 1,20,199 lacs for the year ended 31 March 2021 (31 March 2020: 1,33,405), which contributes more than 10% of the Group total revenue.

**Segment revenue and results**

The expenses that are not directly attributable and that cannot be allocated to a business segment on a reasonable basis are shown as unallocated income and cost respectively.

**Segment assets and liabilities**

Segment assets include all operating assets used by the business segment and consist principally of fixed assets and current assets. Segment liabilities comprise of liabilities which can be directly allocated against the respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively. Non-current assets excludes deferred tax assets and financial

**Non-Current Assets**

Non-current assets excludes deferred tax assets and financial assets.

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**2.38 Due to Micro, small and medium enterprise**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the consolidated financials statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | 1,564 | 759 |
| The amount of interest paid by the Group along with the amounts of the payment made to the supplier beyond the appointed day during the year; | 1,195 | 2,580 |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | 14 | 63 |
| The amount of interest accrued and remaining unpaid at the end of the year | - | 2 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | 192 | 178 |

The Group has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the communication circularised by the Group.

**2.39 Assets and liabilities relating to employee benefits**

**(A) Defined benefit plan - Provident fund:**

Holding Company - The qualifying employees receive benefits from a provident fund. The employee and employer each make monthly contributions to the plan. The contribution is made to the provident fund trust established by the Holding Company. The interest rate payable by the trust to the beneficieries is regulated by the statutory authorities. The Holding Company has an obligation to make good the shortfall, if any, between the returns from its investments and the administered rate. The employer contributions are charged to the statement of profit and loss as they accrue.

The details of fund and plan assets are given below:

| Particulars | INR in lacs<br>31 March 2021 | INR in lacs<br>31 March 2020 |
|---|---|---|
| Fair value of plan assets | 55,226 | 50,915 |
| Present value of defined benefit obligation | (55,226) | (50,915) |
| Net (short fall) / excess | - | - |

The plan assets have been primarily invested in government securities and corporate bonds

The subsidiary companies makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The subsidiary company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

**(B) Defined benefit plan - Gratuity:**

The Group operates post-employment defined benefit gratuity plan, governed by the Payment of Gratuity Act,1972. The gratuity plan entitles an employee, who has rendered atleast five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. Under the Payment of Gratuity Act, 1972 the Group is bound to pay the statutory minimum gratuity as prescribed. The scheme is funded by a plan asset. The Group's gratuity scheme is administered by Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited and National Board of Revenue (in case of GE Healthcare Bangladesh Limited), contribution to plan assets are made based on the actuarial valuation.

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

INR in lacs

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Net defined benefit liability** | | |
| Liability for gratuity | 4,064 | 2,940 |
| **Total employee benefit liabilities** | **4,064** | **2,940** |
| Non-current | 4,064 | 2,940 |
| Current | - | - |

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**2.39 Assets and liabilities relating to employee benefits (continued)**

**(A) Defined benefit plan - Provident fund:**

**The details of the benefit obligation as at 31 March 2021 is as follows:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Benefit obligation at the period end | 55,227 | 50,915 |
| Fair value of plan assets at the end | 55,227 | 50,915 |
| **Net liability recognized in balance sheet** | - | - |

**The following tables set out the funded status of the defined benefit provident fund plan of the Group and the amounts recognized in the Group's financial statements as at 31 March 2021**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Change in benefit obligations** | | |
| Benefit obligations at the beginning | 50,915 | 44,790 |
| Service cost - employer contribution | 2,898 | 2,970 |
| Employee contribution | 4,225 | 3,155 |
| Interest expense | 4,302 | - |
| Actuarial (gains) / loss | 781 | - |
| Benefits paid | (7,894) | - |
| **Benefit obligations at the end** | **55,227** | **50,915** |
| **Change in plan assets** | | |
| Fair value of plan assets at the beginning | 50,915 | 44,790 |
| Interest income | 4,302 | - |
| Remeasurements- Actual return on plan assets less interest on plan assets | 781 | - |
| Contributions (employer and employee) | 7,123 | 6,125 |
| Benefits paid | (7,894) | - |
| **Fair value of plan assets at the end** | **55,227** | **50,915** |
| Net liability | - | - |

The expected contribution payable to the plan for next year is INR 5,217 lacs (31 March 2020: INR 5,346 lacs).

**Amount for the year ended 31 March 2021 recognized in the statement of other comprehensive income:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| **Remeasurements of the net defined benefit liability/ (asset)** | | |
| Actuarial (gains) / losses | 781 | - |
| (Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset) | (781) | - |
| | - | - |

**Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Discount rate (p.a.) | 6.80% | 6.65% |
| Future Derived Return on Assets (p.a.) | 8.78% | 8.77% |
| Discount Rate for the Remaining Term to Maturity of the Investment (p.a.) | 6.45% | 6.40% |
| Average Historic Yield on the Investment Portfolio (p.a.) | 8.43% | 8.52% |
| Guaranteed Rate of Return (p.a.) | 8.50% | 8.50% |

**The breakup of the plan assets into various categories as at 31 March 2021 is as follows:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Government debt instruments | 54.4% | 47.1% |
| Other debt instruments | 41.4% | 44.0% |
| Others | 4.2% | 8.9% |

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation in percentage terms as shown below:

| | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Expected Return (0.5% movement) | 1.41% | -0.63% | 1.44% | -0.64% |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Amount recognised in the Statement of profit and loss:**
**Contributions to provident and other funds:**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| (i) Provident fund contributions to the trust | 2,898 | 2,924 |
| (i) Provident fund contributions to the authorities | 42 | 46 |
| (ii) Pension fund paid to the authorities | 530 | 588 |
| (iii) Others | 363 | 441 |
| | 3,833 | 3,999 |

**iv. Risk Exposure**

(i) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Fund return risk : Lower the return on fund, higher the expected shortfall, if Employees Provident Fund Organisation (EPFO) declared return continues to be on the higher side, it will increase the defined benefit obligation.

(iii) Demographic risk : On an increase in membership, there will be an increase in the defined benefit obligation.

(iv) Investment risk: The Group ensures that the investment positions are in line with the obligations under the employee benefit plans. The Group matches assets to the obligations by investing in long-term interest bearing securities with maturities that match the benefit payments as they fall due. A large portion of assets consists of government and corporate bonds. The Group believes that investment in government and corporate bonds offer the best returns over the long term with an acceptable level of risk.

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**2.39 Assets and liabilities relating to employee benefits (continued)**

**(B) Defined benefit plan - Gratuity:**

**i. Reconciliation of present value of defined benefit obligation and fair value of plan assets:**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

**INR in lacs**

| | **Present value of defined benefit obligation** | | **Fair value of plan assets** | | **Net defined benefit (asset) liability** | |
|---|---|---|---|---|---|---|
| | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** |
| Opening balance | 11,431 | 10,501 | (8,491) | (8,628) | 2,940 | 1,873 |
| **Included in profit or loss** | | | | | | |
| Current service cost | 1,474 | 1,304 | | - | 1,474 | 1,304 |
| Past service cost | | - | | - | - | - |
| Interest cost (Income) | 728 | 745 | (606) | (683) | 122 | 62 |
| | **2,202** | **2,049** | **(606)** | **(683)** | **1,596** | **1,366** |
| | **13,633** | **12,550** | **(9,097)** | **(9,311)** | **4,536** | **3,239** |
| **Included in OCI** | | | | | | |
| Remeasurement loss (gain): | | | | | | |
| Actuarial loss (gain) arising from: | | | | | | |
| Demographic assumptions | (78) | 2 | - | - | (78) | 2 |
| Financial assumptions | (81) | 901 | - | - | (81) | 901 |
| Experience adjustment | (316) | (136) | - | - | (316) | (136) |
| Return on plan assets excluding interest income | - | - | 94 | 53 | 94 | 53 |
| | **(475)** | **767** | **94** | **53** | **(381)** | **820** |
| **Other** | | | | | | |
| Contributions paid by the employer | - | - | (51) | (7) | (51) | (7) |
| Liabilities settled | (40) | (1,112) | - | - | (40) | (1,112) |
| Benefits paid | (741) | (774) | 741 | 774 | - | - |
| **Closing balance** | **12,377** | **11,431** | **(8,313)** | **(8,491)** | **4,064** | **2,940** |
| **Net defined benefit liability** | | | | | **4,064** | **2,940** |

The expected contribution payable to the plan for next year is INR 1200 lacs (31 March 2020: INR 2,000 lacs).

**ii. Plan assets**

Plan assets comprise the following:

**INR in lacs**

| | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Insurer managed fund (non-quoted) | 8,241 | 8,191 |
| | **8,241** | **8,191** |

**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Discount rate | 6.8%/ 7.75% | 6.65%/ 7.5% |
| Salary escalation rate | 8.5%, until 1 year inclusive, then 8.00%./ 9.93% | 9.0%, until 1 year inclusive, then 8.00%./9.93% |
| Attrition rate | PB+LPB : 11.31%<br>SPB & Above : 11.26%<br>OTHSAL : 1.15% | PB+LPB : 10.61%<br>SPB & Above : 9.69%<br>OTHSAL : 1.47% |

**Mortality rate**

Assumptions regarding future mortality have been based on published rates under the Indian Assured Lives Mortality (2012-14) Ult table

**ii. Projected plan cash flow**

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the

**INR in lacs**

| **Maturity profile** | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Expected benefits for year 1 | 1,337 | 1,072 |
| Expected benefits for year 2 | 1,281 | 1,070 |
| Expected benefits for year 3 | 1,283 | 1,138 |
| Expected benefits for year 4 | 1,292 | 1,083 |
| Expected benefits for year 5 | 1,281 | 1,082 |
| Expected benefits for year 6 | 1,230 | 1,089 |
| Expected benefits for year 7 | 1,136 | 1,082 |
| Expected benefits for year 8 | 1,075 | 1,004 |
| Expected benefits for year 9 | 1,128 | 931 |
| Expected benefits for year 10 and above | 11,445 | 1,184 |

The weighted average duration to the payment of these cash flows is 7 45 years (31 March 2020: 8.03 years)

**iii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined

| | **31 March 2021** | | **31 March 2020** | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.5% movement) | -3.61% | 3.85% | -3.88% | 4.15% |
| Salary escalation rate (0.5% movement) | 3.78% | -3.59% | 4.07% | -3.85% |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**iv. Risk Exposure**

Through its defined benefit plan, the Group is exposed to a number of risks. The most significant risks are:

(i) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Fund return risk : Lower the return on fund, higher the expected shortfall.

(iii) Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

(iv) Demographic risk : This is the risk of variability of results due to factors like mortality, withdrawal, disability and retirement. The effect of these on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and attrition rate.

**Other defined benefit plans:**

Present value of other defined benefits (i.e compensated absences) obligations at the end of the year

| | **31 March 2021** | **31 March 2020** |
|---|---|---|
| Compensated absences | 5,192 | 6,018 |

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## 2.40 Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

| 31 March 2021 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Loans receivables (non-current) | - | - | 402 | 402 | - | - | - | - |
| Other financial assets (non-current) | - | - | 1,436 | 1,436 | - | - | - | - |
| Trade receivables | - | - | 107,609 | 107,609 | - | - | - | - |
| Cash and cash equivalents | - | - | 45,992 | 45,992 | - | - | - | - |
| Loans receivables (current) | - | - | 134,119 | 134,119 | - | - | - | - |
| Other financial assets (current) | - | - | 2,537 | 2,537 | - | - | - | - |
| | - | - | **292,095** | **292,095** | - | - | - | - |
| **Financial liabilities** | | | | | | | | |
| Lease liabilities (non-current) | - | - | 7,049 | 7,049 | | | | |
| Other financial liabilities (non-current) | - | - | 93 | 93 | | | | |
| Lease liabilities (current) | | | 2,474 | 2,474 | | | | |
| Trade payables | - | - | 124,378 | 124,378 | - | - | - | - |
| Other financial liabilities (current) | - | - | 12,663 | 12,663 | - | - | - | - |
| | - | - | **146,657** | **146,657** | - | - | - | - |

| 31 March 2020 | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | | |
| Loans receivables (non-current) | - | - | 423 | 423 | - | - | - | - |
| Other financial assets (non-current) | - | - | 1,400 | 1,400 | - | - | - | - |
| Trade receivables | - | - | 108,733 | 108,733 | - | - | - | - |
| Cash and cash equivalents | - | - | 28,358 | 28,358 | - | - | - | - |
| Loans receivables (current) | - | - | 147,976 | 147,976 | - | - | - | - |
| Other financial assets (current) | - | - | 1,755 | 1,755 | - | - | - | - |
| | - | - | **288,645** | **288,645** | - | - | - | - |
| **Financial liabilities** | | | | | | | | |
| Lease liabilities (non-current) | - | - | 7,056 | 7,056 | | | | |
| Other financial liabilities (non-current) | - | - | 93 | 93 | | | | |
| Lease liabilities (current) | | | 2,266 | 2,266 | | | | |
| Trade payables | - | - | 125,773 | 125,773 | - | - | - | - |
| Other financial liabilities (current) | - | - | 11,770 | 11,770 | - | - | - | - |
| | - | - | **146,958** | **146,958** | - | - | - | - |

The Group has not disclosed the fair values for loans receivables, other financial assets, trade receivables, cash and cash equivalents, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

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**2.40 Financial instruments - Fair values and risk management (continued)**

**B. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk;
- Market risk

**i. Risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by internal auditor. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.
The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.
The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 1,07,609 lacs (31 March 2020: INR 1,08,733 lacs)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

| | **INR in lacs** |
|---|---|
| **Particulars** | **Collective impairments** |
| **Balance as at 1 April 2019** | 3,926 |
| Impairment loss recognised | 323 |
| Amounts written off | - |
| **Balance as at 31 March 2020** | **4,249** |
| Impairment loss recognised | 1,821 |
| Amounts written off | - |
| **Balance as at 31 March 2021** | **6,070** |

**Loans receivables**

The Group has performed assessment of credit risk arising from cash pool balances and basis the assessment perceives minimal credit risk on cashpool balances.

**Cash and cash equivalents**

The Group held cash and cash equivalents of INR 45,992 lacs at 31 March 2021 (31 March 2020: INR 28,358 lacs). The cash and cash equivalents of the Group are held with banks, as per corporate mandate. The Group considers that its cash and cash equivalents have limited credit risk as we generally invest in deposits with banks.

**Other financial assets**

The Group has performed the credit risk assessment for other financial assets and has created allowance for doubtful other financial assets (refer note 2.6 and 2.14)

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## 2.40 Financial instruments - Fair values and risk management (continued)

### iii. Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings except for exposure towards lease liabilities. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

INR in lacs

| 31 March 2021 | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Trade payables | 124,378 | 124,378 | 124,378 | - | - | - | - |
| Other Financial Liabilities | 12,756 | 12,756 | 12,663 | - | - | - | 93 |
| Lease liabilities | 9,523 | 11,695 | 1,701 | 1,592 | 2,342 | 5,356 | 704 |

INR in lacs

| 31 March 2020 | Carrying amount | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|---|
| | | Total | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | | |
| Trade payables | 125,773 | 125,773 | 125,773 | - | - | - | - |
| Other Financial Liabilities | 11,863 | 11,863 | 11,770 | - | - | - | 93 |
| Lease liabilities | 9,322 | 11,590 | 1,577 | 1,482 | 2,732 | 4,630 | 1,170 |

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## 2.40 Financial instruments - Fair values and risk management (continued)

**iv. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

**a. Currency risk**

The Group is exposed to currency risk on account of payables and receivables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses foreign exchange forward contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 are as below:

INR in lacs

| Particulars | 31 March 2021 USD | 31 March 2021 EURO | 31 March 2021 GBP | 31 March 2021 JPY | 31 March 2021 Others* |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Cash and cash equivalents | 36,299 | 712 | - | 250 | 1 |
| Trade receivables | 38,658 | 2,164 | - | 513 | 283 |
| **Gross exposure to foreign currency risk(assets)** | **74,957** | **2,876** | **-** | **763** | **284** |
| **Financial liabilities** | | | | | |
| Trade payables | 51,143 | 1,563 | 320 | 2,294 | 97 |
| **Gross exposure to foreign currency risk(Liabilities)** | **51,143** | **1,563** | **320** | **2,294** | **97** |
| **Net exposure to foreign currency risk - Asset/(Liabilities)** | **23,814** | **1,313** | **(320)** | **(1,531)** | **187** |

INR in lacs

| Particulars | 31 March 2020 USD | 31 March 2020 EURO | 31 March 2020 GBP | 31 March 2020 JPY | 31 March 2020 Others* |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Cash and cash equivalents | 21,229 | 183 | - | 218 | 43 |
| Trade receivables | 40,653 | 3,881 | - | 212 | 183 |
| **Gross exposure to foreign currency risk(assets)** | **61,882** | **4,064** | **-** | **430** | **226** |
| **Financial liabilities** | | | | | |
| Trade payables | 53,876 | 1,004 | 231 | 1,906 | 1,616 |
| **Gross exposure to foreign currency risk(Liabilities)** | **53,876** | **1,004** | **231** | **1,906** | **1,616** |
| **Net exposure to foreign currency risk - Asset/(Liabilities)** | **8,006** | **3,060** | **(231)** | **(1,476)** | **(1,390)** |

*Other currencies include Brazilian real(BRL), Nepalese rupee(NPR), Saudi riyal(SAR), Swedish krona(SEK), Swiss Franc(CHF), Hungarian Forint (HUF) Australian Dollar (AUD), Renminbi (CNY) and Singapore dollar (SGD)

**Sensitivity analysis**

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

**31 March 2021**

| Effect in INR | Impact on profit or loss | | Impact on other equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **1% movement** | | | | |
| USD | 238 | (238) | 178 | (178) |
| EUR | 13 | (13) | 10 | (10) |
| JPY | (15) | 15 | (11) | 11 |
| GBP | (3) | 3 | (2) | 2 |

**31 March 2020**

| Effect in INR | Impact on profit or loss | | Impact on other equity, net of tax | |
|---|---|---|---|---|
| | Strengthening | Weakening | Strengthening | Weakening |
| **1% movement** | | | | |
| USD | 80 | (80) | 60 | (60) |
| EUR | 31 | (31) | 23 | (23) |
| JPY | (15) | 15 | 11 | (11) |
| GBP | (2) | 2 | (2) | 2 |

**Derivative financial instruments**

The following table gives details in respect of outstanding foreign exchange forward contracts

USD in Lacs

| Particulars | 31 March 2021 USD | 31 March 2020 USD |
|---|---|---|
| Foreign exchange forward contracts with maturity dates less than one year | 200 | 246 |

The Group based on their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic.

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### 2.40 Financial instruments – Fair values and risk management (continued)

#### b. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 | Remarks |
|---|---|---|---|
| **Fixed-rate instruments** | | | |
| Financial assets - Other financial assets (Non- current) | 46 | 43 | Pertains to Deposits |
| | 46 | 43 | |
| **Variable-rate instruments** | | | |
| Financial assets - Loans receivables (current) | 134,095 | 147,951 | Pertains to cash pool balance "Financial assets - Loans receivables (current) |
| | 134,095 | 147,951 | |
| **Total** | **134,141** | **147,994** | |

**Fair value sensitivity analysis for fixed-rate instruments**

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | Profit or loss | | Equity, net of tax | |
|---|---|---|---|---|
| **Effect in INR lacs** | **100 bp increase** | **100 bp decrease** | **100 bp increase** | **100 bp decrease** |
| **31 March 2021** | | | | |
| Variable-rate instruments | 1,362 | (1,362) | 1,019 | (1,019) |
| **Cash flow sensitivity (net)** | 1,362 | (1,362) | 1,019 | (1,019) |
| **31 March 2020** | | | | |
| Variable-rate instruments | 1,403 | (1,403) | 1,050 | (1,050) |
| **Cash flow sensitivity (net)** | 1,403 | (1,403) | 1,050 | (1,050) |

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**2.41 Employee stock compensation**

The Group has not issued any shares / stock options on its shares. The ultimate holding company has issued restricted stock units (RSU) and stock options on its own shares to specified employees of the Group. The cost of restricted stock units and stock options has been charged to the Group based on the fair value on the grant date. Accordingly, the Group measures and discloses the compensation costs relating to RSU and stock options using the fair value method. The compensation cost is amortized over the vesting period of the stock option/restricted units on a graded vesting method.

The exercise price of these stock options approximates the fair market value of the underlying equity shares on the date of grant. These options have a vesting period ranging from 1 to 5 years.

| Particulars | Year ended 31 March 2021 | | Year ended 31 March 2020 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| Options outstanding at the beginning of the year | 895,106 | USD 15.90 | 799,618 | USD 17.67 |
| Options granted during the year | 33,951 | USD 10.15 | 191,782 | USD 10.67 |
| Options exercised during the year | (791) | USD 10.19 | - | - |
| Options lapsed/ forfeited during the year | (516,971) | USD 12.63 | (96,294) | USD 17.10 |
| Options outstanding at the end of the year | 411,295 | USD 18.96 | 895,106 | USD 15.90 |

Options exercisable 314,577 units (31 March 2020 455,869 units)

Cost for the year is INR 11 lacs (31 March 2020: INR 226 lacs).

The exercise price of these stock options approximates the fair market value of the underlying equity shares on the date of grant. These options have a vesting period ranging from 1 to 5 years.

The fair value of options and inputs used in the measurement of the grant-date fair values of the equity-settled share base payments plans are as follows:

| Particular | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Exercise option price | USD 3.58 | USD 3.48 |
| Expected volatility (weighted average volatility) | 36.00% | 32.00% |
| Expected life (weighted average life) | 6.1 years | 6 years |
| Expected dividends | 0.40% | 0.40% |
| Risk-free interest rate | 1.00% | 2.50% |

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of options have been translated to Rupees at the year end closing rate.

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**2.41 Employee stock compensation (continued)**

**a) Restricted stock units (RSU)**

RSU of parent entitles the holder to receive one share of the parent on fulfillment of the vesting conditions.

(in units)

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|
| Options outstanding at the beginning of the year | 146,701 | 104,688 |
| Granted during the year | 259,751 | 101,845 |
| Exercised during the year | (36,339) | (34,406) |
| Forfeited/lapsed during the year | (63,388) | (25,426) |
| Outstanding at the end of the year | 306,725 | 146,701 |

Cost for the year is INR 51 lacs (31 March 2020: INR 11 lacs).

As per the plan, 3 options are equivalent to 1 RSU. The exercise price of these restricted stocks is Nil. These restricted stocks have a vesting period varying from 1 to 5 years.

The fair value of options and inputs used in the measurement of the grant-date fair values of the equity-settled share base payments plans are as follows:

| Particular | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Exercise option price | USD 7.91 | USD 10.12 |
| Expected volatility (weighted average volatility) | 36.00% | 32.00% |
| Expected life (weighted average life) | 6.1 years | 6 years |
| Expected dividends | 0.40% | 0.40% |
| Risk-free interest rate | 1.00% | 2.50% |

The aggregate amount of carrying amount of liability with respect to ESOP and RSU as at 31 March 2021 is INR 1,842 lacs (31 March 2020: INR 2,517 lacs).

**b) Employee share purchase plan**

Under the globally designed employee share purchase plan, the Company's permanent employees are entitled to exercise opportunity to build a stake in GE. The plan allows an employee to invest up-to a maximum of 25% of his/her monthly salary (eligible for provident fund) in GE shares listed in the USA. The Company makes a matching contribution of 15% on every purchase made by the employee. All shares are bought at market price on the transaction date. The contribution of 15% amounting to INR 71 lacs (31 March 2020: INR 73 lacs) made by the Company during the financial year has been charged to the statement of profit and loss as personnel expenses and remitted to another group company which manages purchase of shares under this scheme.

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**2.42 Related parties**

**(a) Details of related parties**

| Nature of relationship | Name of related parties |
|---|---|
| Holding and Ultimate Holding Company/Parent | General Electric Company, USA |
| Subsidiary | GE Healthcare Bangladesh Limited<br>(formerly known as GE Medical Systems Limited, Bangladesh)<br>General Electric Healthcare Lanka (Private) Limited<br>Wipro GE Medical Device Manufacturing Private Limited (With Effect From 1 March 2021) |
| Enterprise having substantial interest in the Company | Wipro Enterprises Private Limited, India (holding 49% of the shares of the Company) |
| Fellow subsidiaries | Ambassador Medical Inc<br>Beijing GE Hualun Medical Equipment Company Limited<br>Datex-Ohmeda, Inc.<br>GE Precision Healthcare LLC<br>GE BE Private Limited<br>GE HEALTHCARE BIO-SCIENCES CORP.<br>GE Digital LLC<br>GE East Africa Services Limited<br>Ge El Seif Medical Services<br>GE Hangwei Medical Systems Co., Ltd.<br>GE Healthcare (Tianjin) Co., Ltd.<br>GE Healthcare Algerie Sarl<br>GE HEALTHCARE LTD<br>GE Healthcare AS<br>GE Healthcare Australia Pty Limited<br>GE Healthcare Austria GmbH & Co OG<br>GE Healthcare B.V.<br>GE Healthcare Bio-Sciences AB<br>GE Healthcare Bio-Sciences Corp.<br>GE Healthcare Bio-Sciences Limited<br>GE Healthcare do Brasil Comercio e Servicos para Equipamentos Medico-Hospitalares LtdA.<br>GE Healthcare Finland Oy<br>GE MEDICAL SYSTEMS LIMITED<br>GE Healthcare FZE<br>GE Healthcare Global Parts Company, Inc.<br>GE Healthcare GmbH<br>GE Healthcare IITS USA Corp.<br>GE Healthcare Information Technologies GmbH & Co. KG<br>GE Healthcare Ireland<br>GE Healthcare Japan Corporation<br>GE Healthcare Korea<br>GE Healthcare Limited<br>GE Healthcare Kenya Limited<br>GE Healthcare Structured Projects (UK) Limited<br>GE Healthcare Norge AS<br>GE Healthcare Pte Ltd<br>GE Healthcare Sdn Bhd<br>GE Healthcare Sverige AB<br>GE India Exports Private Limited<br>General Electric International Operations Company, Inc<br>GE India Industrial Private Limited<br>GE India Technology Centre Private Limited<br>GE International Operations (NIG) Limited<br>Monogram Licensing International Inc.<br>GE Medical Systems (China) Co., Ltd.<br>GE Medical Systems (Thailand) Ltd.<br>GE Medical Systems Egypt LLC<br>GE Medical Systems Global Technology Company, LLC<br>GE Medical Systems Hong Kong Limited<br>GE Medical Systems Information Technologies GmbH<br>GE Medical Systems Information Technologies, Inc.<br>GE Medical Systems Israel Ltd<br>GE Medical Systems Italia SpA<br>GE Medical Systems Polska Sp. Z.O.O.<br>GE Medical Systems Societe en Commandite Simple<br>GE Medical Systems Taiwan Limited |

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**WIPRO GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

**2.42 Related parties (continued)**

| Nature of relationship | Name of related parties |
|---|---|
| Fellow subsidiaries | GE Medical Systems Trade and Development (Shanghai) Co., Ltd.<br>GE Medical Systems Turkiye Limited Sirketi<br>GE Medical Systems, Ultrasound & Primary Care Diagnostics LLC<br>GE OEC Medical Systems GmbH<br>GE Healthcare Trade and Development LLC<br>Ge Healthcare Global Private Limited (Erstwhile Datex-Ohmeda (India) Private Limited)<br>GE Parallel Design Inc.<br>GE Sensing & Inspection Technologies GmbH<br>GE Sistemas Medicos de Mexico, SA de CV<br>GE Ultrasound Korea Limited<br>PT GE OPERATIONS INDONESIA<br>GE Vietnam Limited<br>GE Vingmed Ultrasound A/S<br>GEMS PET Systems AB<br>General Electric Healthcare Arabia Company Limited<br>General Electric International (Benelux) BV<br>General Electric International, Inc.<br>General Electric Philippines, Inc.<br>GE (CHINA) CO., LTD.<br>GE AIRCRAFT ENGINES<br>GE Capital Europe Limited<br>GE China Wuxi Medical Systems Co. LTD<br>GE Digital Holdings LLC<br>GE Healthcare Limited New Zealand<br>GE Healthcare Limited United Kingdom<br>Ge Healthcare Magyarország Kft.<br>GE INDUSTRIAL FINANCE UK LIMITED<br>GE MEDICAL SYSTEMS KOREA<br>GE MEDICAL SYSTEMS SA<br>Ge Medical Systems Scs<br>GE OIL & GAS INDIA PRIVATE LIMITED<br>GE OIL & GAS, LLC<br>GE PACIFIC PTE LTD<br>Ge Vingmed Ultrasound Norway<br>GEMS IT<br>General Electric Medical Services Company<br>Global Life Sciences Solutions Singapore Pte. Ltd.<br>GE HEALTHCARE COLOMBIA SAS<br>General Electric South Africa (Pty) Ltd<br>OEC Medical Systems, Inc.<br>Parallel Design SAS<br>GE T&D India Limited<br>PT GE Technology Indonesia<br>Schleifring Medical Systems, LLC<br>GENERAL ELECTRIC SOUTH AFRICA (PROPRIETARY) LTD.<br>USA Instruments, Inc<br>Field Core Service Solutions GmbH<br>Ge Healthcare Espana S.A<br>Ge Oec Medical Systems<br>Ge Power Conversion India Private Limited<br>Ge Power India Limited<br>General Elektrik Ticaret Ve Servis A.S.<br>Hyclone Life Sciences Solutions India Private Limited (01 October 2019 to 30 March 2020) |
| Post employment benefit plan entity | Wipro GE Medical Systems Employees Provident Fund Trust |
| Associate | Genworks Health Private Limited |
| Company in which directors are interested | Wipro Limited<br>Healthcare Global Enterprises Limited (Up to 29 May 2020)<br>Cimplyfive Corporate Secretarial Services Private Limited |
| Key Management Personnel (KMP) | Nalinikanth Gollagunta, Managing Director (till 16 November 2020)<br>Dr. Shravan Subramanyam, Managing Director (from 17 November 2020)<br>Mr. Rahul Cordeiro, Chief Financial Officer (from 2 March 2021)<br>Mr. Manjunath Hegde, Company Secretary (from 2 March 2021) |

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**Wipro GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

**2.42 Related parties (continued)**

**b) The following is the summary of significant transactions with related parties:**

| Transactions | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **Sale of manufactured goods- fellow subsidiaries** | | **93,657** | | **97,169** |
| GE Precision Healthcare LLC | 19,740 | | 25,653 | |
| GE Healthcare (Tianjin) Co., Ltd. | 12,248 | | 12,349 | |
| GE Healthcare Global Parts Company, Inc. | 12,774 | | 12,239 | |
| GE Medical Systems Information Technologies, Inc. | 7,488 | | 8,218 | |
| Others | 41,407 | | 38,710 | |
| **Sale of traded goods- fellow subsidiaries** | | **11,440** | | **10,908** |
| GE Healthcare Global Parts Company, Inc. | 10,069 | | 9,448 | |
| GE Precision Healthcare LLC | 440 | | 653 | |
| Others | 931 | | 807 | |
| **Sale of traded goods- Associate** | | **10,532** | | **6,728** |
| Genworks Health Private Limited | 10,532 | | 6,728 | |
| **Sale of traded goods- company in which directors are interested** | | **37** | | **-** |
| WIPRO LIMITED | 37 | | - | |
| **Sale of traded goods- Enterprise having substantial interest in the Company** | | **75** | | **-** |
| WIPRO ENTERPRISES PRIVATE LIMITED | 75 | | - | |
| **Software revenue- fellow subsidiaries** | | **100,030** | | **110,056** |
| GE Healthcare Bio-sciences AB | | | 2,876 | |
| GE Precision Healthcare LLC | 100,019 | | 107,099 | |
| Others | 11 | | 81 | |
| **Commission on sales- fellow subsidiaries** | | **252** | | **4,335** |
| GE Healthcare Ireland | 252 | | - | |
| GE Healthcare Pte Ltd | - | | 4,335 | |
| **Service Fee (Misc Income)- subsidiary** | | **-** | | **702** |
| Hyclone Life Sciences Solutions India Private Limited | - | | 702 | |
| **Purchase of goods and consumables - fellow subsidiaries** | | **163,959** | | **192,905** |
| GE Precision Healthcare LLC | 23,894 | | 33,299 | |
| GE Healthcare AS | 23,750 | | 30,942 | |
| GE Healthcare Global Parts Company, Inc. | 16,340 | | 20,097 | |
| GE Medical Systems (China) Co., Ltd. | 14,817 | | 11,094 | |
| GE Hangwei Medical Systems Co., Ltd. | 14,995 | | 12,983 | |
| Others | 70,163 | | 84,490 | |
| **Expenses reimbursed- to parent**** | | **595** | | **1,456** |
| General Electric Company, USA | 595 | | 1,456 | |
| **Facility Maintenance charges (Repairs and Maintenance) - to fellow subsidiaries** | | **7,934** | | **7,796** |
| GE India Industrial Private Limited | 6,653 | | 4,462 | |
| GE India Technology Centre Private Limited | 1,281 | | 3,334 | |
| **Expenses reimbursed- to fellow subsidiaries**** | | **3,902** | | **7,860** |
| GE India Industrial Private Limited | 2,393 | | 4,377 | |
| GE PRECISION HEALTHCARE LLC | 892 | | 1,251 | |
| Others | 617 | | 2,232 | |
| **Expenses reimbursed- by fellow subsidiaries** | | **2,281** | | **2,608** |
| GE PRECISION HEALTHCARE LLC | 1,789 | | 1,444 | |
| GE HEALTHCARE BIO-SCIENCES CORP. | - | | 373 | |
| GE India Industrial Private Limited | - | | 120 | |
| GE Healthcare FZE | 88 | | 76 | |
| Others | 404 | | 595 | |
| **Expenses reimbursed- by parent** | | **172** | | **114** |
| General Electric Company, USA | 172 | | 114 | |
| **Buy-back of equity shares - Parent** | | **18,458** | | - |
| General Electric Company U.S.A | 18,458 | | - | |
| **Buy-back of equity shares - Enterprise having substantial interest in the Company** | | **17,734** | | - |
| Wipro Enterprises Private Limited | 17,734 | | - | |

* Purchases for the previous year is net of consideration towards marketing support of INR 4,300 lacs

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**WIPRO GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

**2.42 Related parties (continued)**

| Transactions | For the year ended 31 March 2020 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **Purchase of fixed assets- fellow subsidiaries** | | **413** | | **529** |
| GE PRECISION HEALTHCARE LLC | 175 | | 293 | |
| GE Healthcare PTE Ltd | 58 | | 129 | |
| GE HEALTHCARE BIO-SCIENCES AB | - | | 67 | |
| GE Medical Systems Information Technologies, Inc. | 112 | | - | |
| Others | 68 | | 40 | |
| **Sale of fixed assets- fellow subsidiaries** | | **643** | | **-** |
| GE INDIA INDUSTRIAL PVT. LTD | 9 | | - | |
| GE MEDICAL SYSTEMS ISRAEL LTD | 191 | | - | |
| GE Medical Systems Societe en Commandite Simple | 443 | | - | |
| **Loan received back- fellow subsidiary** | | **-** | | **90** |
| Ge Healthcare Global Private Limited (Erstwhile Datex-Ohmeda (India) Private Limited) | - | | 90 | |
| **Interest received on inter corporate deposits and cash pool- fellow subsidiaries** | | **6,027** | | **8,432** |
| GE India Industrial Private Limited | 6,027 | | 8,432 | |
| **Lease Rental - to fellow subsidiaries #** | | **2,011** | | **1,353** |
| GE India Technology Centre Private Limited | 275 | | 663 | |
| GE INDIA INDUSTRIAL PVT. LTD. | 1,736 | | 690 | |
| **Royalty- fellow subsidiaries** | | **3,611** | | **2,414** |
| GE Medical Systems Global Technology Company, LLC | 2,303 | | 1,042 | |
| Monogram Licensing International Inc. | 1,308 | | 1,372 | |
| **Royalty- Enterprise having substantial interest in the Company** | | **1,308** | | **1,399** |
| Wipro Enterprises Private Limited | 1,308 | | 1,399 | |
| **Other expenses- Enterprise having substantial interest in the Company** | | **-** | | **62** |
| Wipro Enterprises Private Limited | - | | 62 | |
| **Legal and professional fees - parent** | | **3** | | **18** |
| General Electric Company, USA | 3 | | 18 | |
| **Legal and professional fees - fellow subsidiaries** | | **1,779** | | **849** |
| GE India Industrial Private Limited | 1,086 | | 789 | |
| GE PRECISION HEALTHCARE LLC | 341 | | (176) | |
| Others | 352 | | 236 | |
| **Legal and professional fees - company in which directors are interested** | | **282** | | **367** |
| Wipro Limited | 281 | | 367 | |
| Cimplyfive Corporate Secretarial Services Private Limited | 1 | | 0 | |
| **Other expenses - to company in which directors are interested** | | **3** | | **31** |
| Wipro Limited | 3 | | 31 | |
| **Sales commission expense - Associate** | | **1,807** | | **2,395** |
| Genworks Health Private Limited | 1,807 | | 2,395 | |
| **Post employment benefit plan entity** | | **3,539** | | **3,679** |
| Wipro GE Medical Systems Employees Provident Fund Trust | 3,539 | | 3,679 | |
| **Managerial remuneration*** | | **541** | | **336** |
| Dr. Shravan Subramanyam, Managing Director | | | | |
| Short Term Employee Benefits | 379 | | - | |
| Post Employment Benefits | 6 | | - | |
| *Nalinikanth Gollagunta, Managing Director* | | | | |
| Short Term Employee Benefits | 138 | | 326 | |
| Post Employment Benefits | 6 | | 10 | |
| *Mr. Rahul Cordeiro, Chief Financial Officer**** | | | | |
| Short Term Employee Benefits | 10 | | - | |
| Post Employment Benefits | 0 | | - | |
| *Mr. Manjunath Hegde, Company Secretary**** | | | | |
| Short Term Employee Benefits | 2 | | - | |
| Post Employment Benefits | - | | - | |

* Managerial remuneration does not include cost of retirement benefits such as gratuity and compensated absences since provisions for the same are based on an actuarial valuation carried out for the Company as a whole.

** Expenses reimbursed to party consist of legal and professional, travel, rent, advertisement, communication expense etc incurred by other party and cross charged to the Group.

*** Appointed as Key Manageriel Personnel as per Companies Act, 2013 with effect from 02 March 2021. The remuneration from that date is disclosed accordingly.

\# Includes Lease Rental

**Wipro GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

**2.42 Related parties (continued)**

**c) The balances receivable from and payable to related parties are as follows:**

| Balances | For the year ended 31 March 2021 | | For the year ended 31 March 2020 | |
|---|---|---|---|---|
| **Trade receivables- parent** | | - | | 40 |
| General Electric Company, USA | - | | 40 | |
| **Trade receivables- fellow subsidiaries** | | 26,470 | | 27,340 |
| GE Precision Healthcare LLC | 5,996 | | 9,241 | |
| GE Healthcare Global Parts Company, Inc. | 5,025 | | 4,388 | |
| GE Healthcare (Tianjin) Co. Ltd. | 3,358 | | 2,955 | |
| GE Healthcare Austria GmbH & Co OG | 745 | | 2,545 | |
| GE Hangwei Medical Systems Co. Ltd. | 2,077 | | 1,156 | |
| Others | 9,269 | | 7,055 | |
| **Trade receivables- Associate** | | 3911 | | 1903 |
| Genworks Health Private Limited | 3911 | | 1903 | |
| **Trade receivables- company in which directors are interested** | | - | | 47 |
| WIPRO LIMITED | - | | 47 | |
| **Trade receivables- Enterprise having substantial interest in the Company** | | 4 | | - |
| WIPRO ENTERPRISES PRIVATE LIMITED | 4 | | - | |
| **Trade payables- parent** | | 128 | | 824 |
| General Electric Company, USA | 128 | | 824 | |
| **Trade payables- company in which directors are interested** | | 102 | | 199 |
| Wipro Limited | 102 | | 199 | |
| **Trade payables- fellow subsidiaries** | | 47,040 | | 60,408 |
| GE Precision Healthcare LLC | 6,177 | | 12,771 | |
| GE Healthcare Trade and Development LLC | 7,592 | | 9,665 | |
| GE Healthcare Global Parts Company, Inc. | 6,363 | | 9,214 | |
| GE Healthcare AS | 5,331 | | 3,744 | |
| GE Medical Systems Societe en Commandite Simple | 4,056 | | 3,564 | |
| GE Ultrasound Korea Limited | 67 | | 557 | |
| Others | 17,454 | | 20,893 | |
| **Trade payables - Associate** | | 122 | | 56 |
| Genworks Health Private Limited | 122 | | 56 | |
| **Financial assets- Investments- Associate** | | 78 | | 78 |
| Genworks Health Private Limited | 78 | | 78 | |
| **Other current assets (supplier advances)- Associate** | | - | | 1,430 |
| Genworks Health Private Limited | - | | 1,430 | |
| **Financial Assets - Loans receivables (rental deposits) - fellow subsidiary** | | 302 | | 302 |
| GE India Technology Centre Private Limited | 302 | | 302 | |
| **Financial assets-Loans receivables (current) (cash pool balance)- fellow subsidiary** | | 134,095 | | 147,951 |
| GE India Industrial Private Limited | 134,095 | | 147,951 | |
| **Financial liabilities (accrued expense- royalty) - fellow subsidiary** | | 2,052 | | - |
| GE Medical Systems Global Technology Company, LLC | 2,052 | | - | |
| **Financial liabilities (accrued expense- royalty) - Enterprise having substantial interest in the Company** | | 1,178 | | 1,235 |
| Wipro Enterprises Private Limited | 1,178 | | 1,235 | |
| **Financial liabilities (accrued expense- royalty) - Parent** | | 1,165 | | 1,222 |
| General Electric Company, USA | 1,165 | | 1,222 | |
| **Financial liabilities (accrued expense- others) - fellow subsidiary** | | 97 | | 110 |
| GE Medical Systems Information Technologies, Inc. | 97 | | 110 | |
| **Financial liabilities (Sales commission) - Associate** | | 2,219 | | 2,445 |
| Genworks Health Private Limited | 2,219 | | 2,445 | |
| **Other current liabilities (Advance from customers) - Associate** | | 53 | | - |
| Genworks Health Private Limited | 53 | | - | |
| **Unbilled revenue - parent** | | 545 | | 423 |
| General Electric Company, USA | 545 | | 423 | |

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**2.43 Government Grant**

The Group is eligible to obtain financial incentive of 25% of capital expenditure incurred on new product introduction, capacity enhancement, new equipment to address technological obsolescence and advanced and improved manufacturing process under Modified Special Incentive Package Scheme (M-SIPS) issued by Ministry of Communications and Information Technology on satisfaction of certain conditions mentioned under the particular scheme. As this grant relates to depreciable assets they are being recognised in the statement of profit and loss over the periods and in the proportions in which depreciation expense on those assets are recognised. (refer note 2.6)

**2.44 Basic and diluted earnings per share**

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of INR 27,608 lacs (31 March 2020: INR 30,199 lacs) and weighted average number of equity shares outstanding of 10,355,913 (31 March 2020: 10,511,423)

**i. Profit attributable to Equity holders:**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Profit attributable to equity holders for basic and diluted earnings for the year ended (A) | 27,608 | 30,199 |

**ii. Weighted average number of shares as at March 31 for basic and diluted earnings per share**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Weighted average number of shares during the year ended (B) | 10,355,913 | 10,511,423 |

**Basic and Diluted earnings per share**

In INR

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Basic and Diluted earnings per share for the year ended (A/B)*100000 | 266.59 | 287.30 |

**2.45 Corporate social responsibility**

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| a) Gross amount required to be spent by the Group during the year as per Section 135 of the Act | 775 | 826 |
| (b) Amount spent during the year | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above * | 717 | 778 |

* In addition to amount spent above, the Group has created provision amounting to INR 58.5 lacs (31 March 2020: INR 26) for which it has firm commitment and transfer the said amount to special bank account created for this purpose.

**2.46 Capital Management**

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

The capital structure as of 31 March 2021 and 31 March 2020 are as follows:

INR in lacs

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---|---|
| Total equity attributable to the equity shareholders of the Group | 166,197 | 182,930 |
| **As a percentage of total capital** | **100%** | **100%** |
| Long-term borrowings | - | - |
| **As a percentage of total capital** | **0%** | **0%** |
| **Total capital (Equity and Long-term Borrowings)** | **166,197** | **182,930** |

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**Wipro GE Healthcare Private Limited**
**Notes to the consolidated financial statements**

### 2.47 Demerger of Bio Pharma Division

The Board of Directors of the Group had approved a Scheme of Arrangement, between Hyclone Life Sciences Solutions India Private Limited (Hyclone), wholly owned subsidiary and the Group and their respective Shareholders, at its meeting held on 13 September 2019 for demerger of the Bio Pharma business division of the Group into Hyclone Life Sciences Solutions India Private Limited.

The Scheme of Arrangement was approved by the Regional Director ('RD'), South East Region, Ministry of Corporate Affairs for the Demerger, with the Appointed Date for the Demerger as 1 October 2019. The certified copy of the order had been filed with Registrar Of Companies, Bangalore on 16 December 2019 (Effective Date)

Further, as the scheme became effective on 16 December 2019, with the appointed date of 1 October 2019, all assets, related goodwill and liabilities of the Bio Pharma business division became assets and liabilities of Hyclone at their book value as per the Order, as appearing in the books of the Group with effect from the appointed date (ie, 1 October 2019). The details of the assets and liabilities transferred to the resultant Group were as follows:

The details of demerged undertaking as per the scheme approved by RD into Hyclone is as follows:-

**INR in lacs**

| **Particulars** | | **As at 1 October 2019** |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment (including Capital Work In Progress) | | 2,366 |
| Intangible Assets | | 26 |
| Right-of- use asset | | 60 |
| Goodwill | | 3,407 |
| Other non-current financial assets | | |
| Earnest money deposits | 178 | |
| Allowance for doubtful receivables and advances | (134) | |
| | 44 | 44 |
| Inventories | | |
| Finished goods and stock-in-trade | | 865 |
| Trade receivables | | 5,015 |
| Other current financial assets | | |
| Supplier advances | 21 | |
| Allowance for doubtful advances | (21) | |
| | - | - |
| Other current financial assets | | |
| Unbilled revenue | | 303 |
| | | **12,086** |
| **Liabilities** | | |
| Financial liabilities - Borrowings (car lease) | | 3 |
| Lease liabilities | | 61 |
| Provisions (non-current) | | |
| Gratuity | | 977 |
| Other non-current liabilities | | |
| Unearned revenue | | 12 |
| Trade payables: | | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,613 |
| Financial liabilities - Other financial liabilities (current) | | |
| Employee related liabilities | | 318 |
| Provisions (current) | | |
| Compensated absences | | 715 |
| Provision for warranties | | 68 |
| Other current liabilities | | |
| Statutory liabilities | | 1 |
| Unearned revenue | | 491 |
| | | **4,259** |
| **Net Assets and liabilities transferred to Capital reserve (refer Statement of Changes in equity)** | | **7,827** |

Note: The excess of assets transferred over liabilities was required to be adjusted to other equity as per scheme of arrangement. Hence, accordingly, the value of Assets transferred in excess of liabilities had been debited to Capital Reserve in other equity.

Guarantees provided by banks on behalf of the Group to the Indian Government, customers and certain other agencies related to Bio Pharma division amounting to INR 559 lacs had been transfered subsequent to year ended 31 March 2020 to Hyclone pursuant to demerger order.

The Bio-pharma business division does not represent a major line of business for the Group. Accordingly, it does not meet the definition of a discontinued operation.

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### 2.48 Sale of business units

During the year ended 31 March 2020, the Group had entered into Business Transfer Agreements on 9 July 2019 and 09 October 2019 for disposing all of the assets and liabilities attributable to the Ambulatory Care Management (ACM) and Enterprise Financial Management (EFM) divisions to Athenahealth Technology Private Limited, and Workforce Management (WFM) division to Jedi Software Engineering LLP, on slump sale basis for a lump sum consideration of INR 3,571 lacs and INR 1,620 lacs respectively.

Details of net assets transferred:

**INR in lacs**

| Particulars | ACM and EFM | WFM | Total |
|---|---|---|---|
| **Assets:** | | | |
| Property, plant and equipment (net) | 65 | - | 65 |
| **Total Assets** | **65** | **-** | **65** |
| | | | |
| **Liabilities:** | | | |
| Other current financial liabilities | 791 | 311 | 1,102 |
| **Total Liabilities** | **791** | **311** | **1,102** |
| **Net assets value over liabilities** | **(726)** | **(311)** | **(1,037)** |
| | | | |
| **Fair value of the consideration** | 3,571 | 1,620 | 5,191 |
| **Gain on disposal of business units** | **4,297** | **1,931** | **6,228** |
| **Tax Impact on gain of sale of business** | **972** | **488** | **1,460** |

The consequential tax of INR 1,460 lacs was included in the tax expense of the consolidated financial statements for the year ended 31 March 2020.

The above divisions, which are part of software segment, does not represent a major line of business for the Group. Accordingly, it does not meet the definition of a discontinued operation.

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**Notes to the consolidated financial statements**

**2.49 Interest in other entities**

**Subsidiaries**

The Group's subsidiary as at 31 March 2021 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Country of incorporation | Ownership interest held by the group 31 March 2021 % | Ownership interest held by the group 31 March 2020 % | Ownership interest held by the non-controlling interest 31 March 2021 % | Ownership interest held by the non-controlling interest 31 March 2020 % | Principal activities |
|---|---|---|---|---|---|---|
| GE Healthcare Bangladesh Limited | Bangladesh | 100 | 100 | - | - | Supply of imported medical equipments, installation and after sale services. |
| General Electric Healthcare Lanka (Private) Limited | Srilanka | 100 | 100 | - | - | Supply of imported medical equipments, installation and after sale services. |
| Wipro Ge Medical Device Manufacturing Private Limited (with effect from 1 March 2021) | India | 100 | - | - | - | Manufacturer of medical equipment |

Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013-'General instructions for the preparation of consolidated financial statement' of Division II of Schedule III.

| Name of entity | Country of incorporation | Ownership interest held by the group 31 March 2021 % | Ownership interest held by the group 31 March 2020 % | Ownership interest held by the non-controlling interest 31 March 2021 % | Ownership interest held by the non-controlling interest 31 March 2020 % | Principal activities |
|---|---|---|---|---|---|---|
| Genworks Health Private Limited | India | 26 | 26 | - | - | Distribution of medical equipments |

The dilutive shareholding in Genworks Health Private Limited as at 31 March 2021 is 17.76% (31 March 2020: 20.65%)

**31 March 2021** **INR in lacs**

| | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated comprehensive | Amount |
| **Holding Company** | | | | | | | | |
| Wipro GE Healthcare Private Limited | 99.20% | 165,504 | 97.96% | 28,304 | 111.01% | 298 | 98.08% | 28,602 |
| **Subsidiary** | | | | | | | | |
| GE Healthcare Bangladesh Limited | 0.75% | 1,247 | 1.90% | 549 | -10.26% | (28) | 1.79% | 521 |
| General Electric Healthcare Lanka (Private) Limited | 0.06% | 93 | 0.16% | 46 | -0.75% | (2) | 0.15% | 44 |
| Wipro Ge Medical Device Manufacturing Private Limited (with effect from 1 March 2021) | 0.00% | (5) | | (5) | 0.00% | - | -0.02% | (5) |
| Subtotal | 100% | 166,839 | 100% | 28,894 | 100% | 268 | 100% | 29,162 |
| Elimination | | (642) | | (1,286) | | 0 | | (1,286) |
| **Total** | | **166,197** | | **27,608** | | **268** | | **27,876** |

**31 March 2020**

| | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated comprehensive | Amount |
| **Holding Company** | | | | | | | | |
| Wipro GE Healthcare Private Limited | 99.56% | 181,511 | 99.73% | 30,146 | 95.80% | (589) | 99.81% | 29,557 |
| **Subsidiary** | | | | | | | | |
| GE Healthcare Bangladesh Limited | 0.41% | 749 | 0.14% | 43 | 4.06% | (25) | 0.06% | 18 |
| General Electric Healthcare Lanka (Private) Limited | 0.03% | 48 | 0.12% | 37 | 0.00% | | 0.12% | 37 |
| Subtotal | 100% | 182,307 | 100% | 30,226 | 100% | (614) | 100% | 29,612 |
| Elimination | | 623 | | (27) | | 14 | | (13) |
| **Total** | | **182,930** | | **30,199** | | **(600)** | | **29,599** |

**2.50** The COVID-19 pandemic has significantly impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. During the last quarter of Financial Year 2020-21, these factors began having some adverse impact on our operations. We anticipate many of these impacts related to demand, profitability and cash flows will continue in the foreseeable future depending on the severity and duration of the pandemic. The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2021-22 financial year.

**2.51** Hyclone Life Sciences Private Limited (Hyclone) was incorporated on 1 August, 2019 as a wholly owned subsidiary of Wipro GE Healthcare Private Limited. Vide Order from Regional Director, South East Region, Ministry of Corporate Affairs on 15 November 2019 , the Group lost it's control over Hyclone with effect from Appointed Date ie, 01 October 2019. Hence, in consolidated financial statements, Hyclone financial has not been presented in the comparative period for the year ended 31 March 2020.

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**Notes to the consolidated financial statements**

**2.52 Disclosure on Specified Bank Notes(SBNs)**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

*for* **B S R & Associates LLP**
*Chartered Accountants*
Firm's registration number: 116231 W/ W-100024

**Vipin Lodha**
*Partner*
Membership number: 076806

Place: Bengaluru
Date:29 June 2021

*for* and on behalf of the Board of Directors of
**Wipro GE Healthcare Private Limited**

**A.H. Premji**
*Chairman*
DIN: 00234280

**S.C. Senapaty**
*Director*
DIN: 00018711

**Dr. Shravan Subramanyam**
Managing Director

**Rahul Cordeiro**
Chief Financial Officer

**Manjunath Hegde**
Company Secretary

Place: Bengaluru
Date:29 June 2021